



maryland  
**health services**  
cost review commission

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## EQIP Subgroup

January Meeting

01/29/2024

# Agenda

- Administrative Updates
- PY3 Finalization
- Performance Year 4: PACES Episode Grouping
- PROMETHEUS / PACES Comparison Evaluation

# PY 3: Administrative and Enrollment Updates

# PY3 Enrollment Summary

EQIP entities enrolled: 116  
Total Care Partners: 3,203  
  
Specialties represented: 41  
  
Smallest Entity: 1 CP  
Largest Entity: 293 CPs

Clinical Episode Categories	Number of EQIP Entities
Allergy	18
Cardiology	21
Dermatology	3
Emergency Care	13
Gastroenterology	23
Ophthalmology	7
Orthopedics	25
Pulmonology	19
Urology	5

# Final Eligibility Audit and Probation Status

- PY2 Care Partner Eligibility: Care Partners on Probation in PY2, who did not touch a claim during PY2 Q1-2 will no longer be eligible for PY3. Care Partners can re-enroll for PY4.
- Volume Thresholds: Due to the composite of final Care Partner lists, some entities may fall below threshold for certain episodes. For a single episode, threshold = 11 episodes in the baseline and across all episodes of participation, threshold = 50 episodes in the baseline
- Care Partner Probation: Care Partners who do NOT touch a claim in baseline are considered on probation and must touch a claim in PY3 q1-2 to be eligible for PY4.
- Quality Metrics: If Entity did NOT meet minimal quality performance during baseline period, entity will be placed on probation. Entities must improve quality score in PY3 q1-2 to be eligible for PY4.

**Baseline data (including quality) will be available in the**

**EEP Reporting Suite on Friday, January 26<sup>th</sup>**

# PY4 Episode Grouping

# Prometheus Contract Ends Dec 2024 – What Next?

## PROMETHEUS Considerations



Development since 2006, currently acquired by Change Healthcare (part of Optum)



Promotes coordination and collaboration across the continuum of care at the specialist level



97 episodes grouped into clinically relevant areas: Procedural, Acute, Chronic and Other



Alignment with CareFirst's episode program



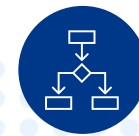
Detailed grouper methodology is a 'black box'



Prometheus episode development has stalled. HSCRC must create custom episodes outside of the 97 available.



Limited to quarterly data runs for performance data



CareFirst's considering future strategy





# PACES Overview

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# PACES: Background in Brief

- The PACES Center for Value in Healthcare, Inc. was incorporated in 2019, as a not-for profit organization, to further update and enhance earlier groupers developed for CMS and make them available to the market as a transparent offering
  - The PACES team consists of a wide range of seasoned experts, many of whom were directly involved in the development of other major episode groupers, including Prometheus
  - Patient Centered Episode System (PACES) is the current offering – distributed software and value sets for a comprehensive episode system
- There currently are 1,090 PACES procedural, chronic condition, and acute condition episodes in various stages of refinement
  - PACES episodes expanded beyond Medicare, to address Commercial and Medicaid populations, including conditions and procedures related to pediatrics and OB, which were not part of EGM.
  - Over 100 episodes have been updated to reflect the most current CPT, HCPCS and ICD-10 codes. Review and updating of the remaining episodes is underway
  - Convening expert clinical panels & plan to collaborate with national medical societies in all relevant specialties to review the detailed codes for every episode.

# The PACES Philosophy

- The sole focus of the PACES Center is on developing a clinically sound episode grouper in collaboration with the clinical community and market stakeholders and keeping it up to date over time.
- PACES episodes will be reviewed and updated on a regular basis by expert clinicians in each relevant specialty.
- The PACES Center is committed to transparency of the value sets that define each episode and the business rules that determine how those episode definitions are applied. In contrast commercially available groupers are “black boxes” (i.e., the underlying codes and rules are not available to users), which undermines users’ and stakeholders’ ability to understand what drove results.
- Commercial episode grouper business intelligence suites are expensive to license and bias towards SaaS offerings.
  - PACES is solely focused on advancing our episode catalogue, definitions and grouping logic, and offering this in a distributed (non-SaaS) manner.
  - PACES has developed a novel “utility” pricing model, whereby all licensee pricing decreases over time as more entities license PACES, making it much more affordable.

# Components of PACES Episodes

The construction of PACES episodes should be familiar to anyone who has worked with similar groupers before. However, the business logic is refined to be more easily communicated, understood and implemented, using the following core components:

- **Trigger Codes**

Are ICD-10 codes (in the case of Condition episodes) and CPT or HCPCS codes (in the case of Procedure episodes) that indicate, unequivocally, that a patient has a particular condition or underwent a particular procedure. Trigger codes initiate an episode.

- **Categories (and Subcategories)**

Are subset(s) of an episode that reflect differences in a) type/severity/extent of disease/comorbidities (in the case of condition episodes) and b) the technical approach employed, and extent of procedures and additional procedures performed in conjunction with a primary procedure in the case of procedures. Categories and subcategories are helpful in risk adjustment and facilitating meaningful analyses and comparisons.

# Components of PACES Episodes (cont.)

- **Relevant Procedures**

Procedures deemed relevant and linked to the episode, providing additional information and context on the episode.

- **Indications**

The reason(s) a procedure might be performed, providing additional information that can be useful in casemix/risk adjustment.

- **Sequelae**

Complications or downstream impacts / results of a disease, procedure or injury that occur during an episode that can be included or excluded from analysis of the cost of an episode.

# PROMETHEUS / PACES Comparison Evaluation

# Evaluation & Review Process Summary

- The HSCRC has been conducting analyses on the CCLF data to evaluate PACES in order to:
  - Understand how it differs from PROMETHEUS & how the transition may impact participation / enrollment decisions.
  - Understand if and how those differences will impact program performance evaluation.
  - Understand if / where additional program policy decisions or changes may be needed to ensure robust implementation & a smooth transition.
  - Facilitate clear communication of the new system to participants and stakeholders.
- Overall, a high degree of alignment has been found for episodes currently available under EQIP, but a number of key differentiation points have been identified that will be highlighted in the slides that follow.

# Episode Coverage – At A Glance

- While many PACES episodes are undergoing final clinical review and updates, the system offers much more complete coverage than PROMETHEUS and paves the way for easier, more seamless program expansion in future years. Current EQIP episode categories are well-covered by finalized PACES categories.

## PROMETHEUS

Episode Type	Episode Categories	Volume
Acute	6	209,149
Chronic	20	2,239,398
Procedural	24	190,396
SRF ( <i>System Related Failure</i> )	34	412,637
Other	8	772,038
Total	93	3,823,618

## PACES

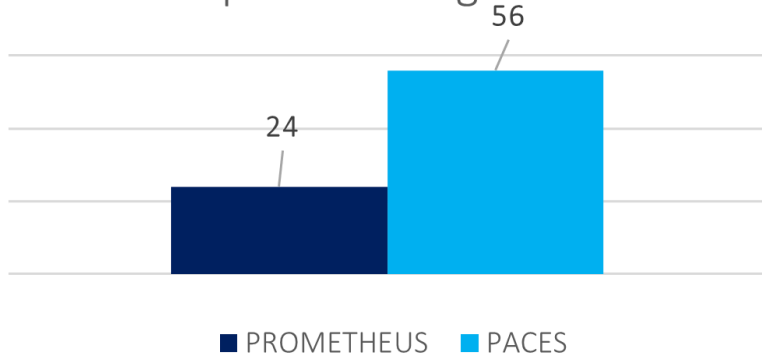
Episode Type	Episode Categories	Volume
Acute	473	1,095,756
Chronic	561	5,054,124
Procedural	56	266,607
<i>Treatment Combination</i>	12	7,183
<i>Condition Combination</i>	10	4,068
Total	1,090 + 22	6,427,738

All numbers in this presentation are based on a multi-year merged statewide analysis covering the EQIP baseline period intended to facilitate comparison and evaluation and are not intended to represent real program evaluation statistics. Values may change after final policy rules are applied & implemented and any necessary adjustments made.

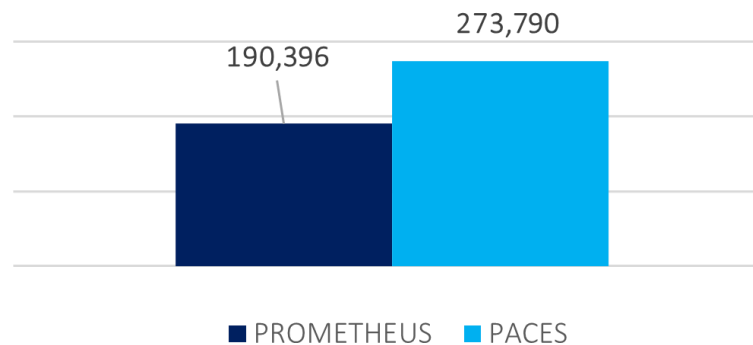


# Procedural Episodes – Increased Potential TCOC Coverage

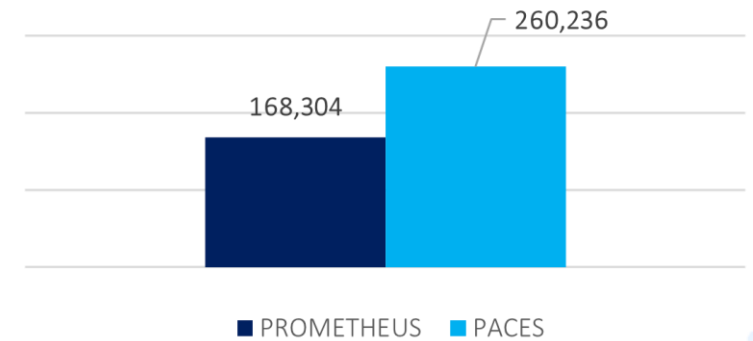
Episode Categories



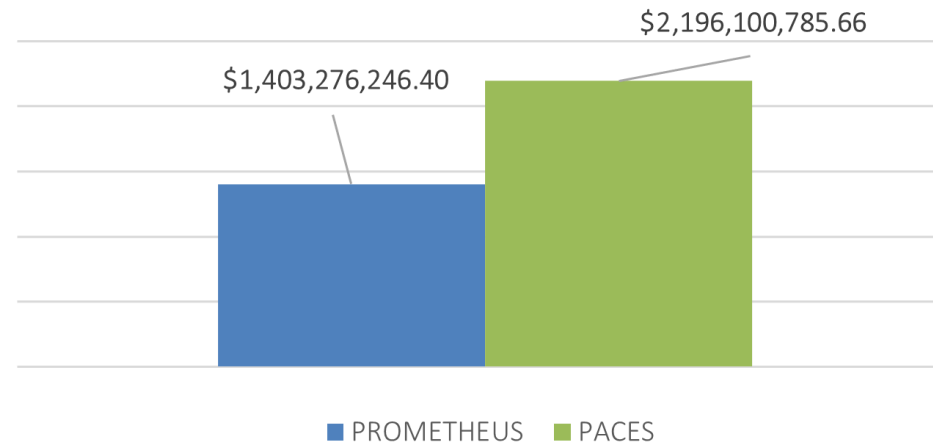
Episode Volume



Member Count



Total Cost



# EQIP Episode Comparisons – Based On PY1 Statewide Enrollment

NOTE: These are not 'final' comparisons, as will be explained on the slides that follow; they simply serve as a 'base level' reference before any required adjustments.

Episode Name	PROMETHEUS			PACES		
	Volume	Target Price	Total Cost	Volume	Target Price	Total Cost
Acute Myocardial Infarction	503	\$31,172.59	\$15,138,464	162	\$32,752.98	\$5,750,546
CABG &/or Valve Procedures	652	\$63,431.43	\$44,866,817	369	\$63,558.64	\$24,444,216
Colonoscopy	15,851	\$1,132.26	\$17,547,804	7,583	\$1,484.50	\$12,333,079
Colorectal Resection	276	\$34,029.03	\$10,706,521	359	\$32,622.38	\$14,863,283
Coronary Angioplasty	1,165	\$26,965.63	\$31,337,196	1,178	\$28,745.72	\$34,790,998
Gall Bladder Surgery	460	\$15,316.76	\$7,485,095	420	\$8,961.75	\$4,887,794
Hip Replacement & Hip Revision	2,139	\$22,539.22	\$44,562,380	2,294	\$25,857.17	\$53,736,674
Hip/Pelvic Fracture	675	\$33,936.78	\$24,930,875	594	\$30,117.11	\$18,889,730
Knee Arthroscopy	691	\$3,760.46	\$2,382,711	676	\$3,915.38	\$2,644,960
Knee Replacement & Knee Revision	3,840	\$22,441.13	\$77,573,694	3,741	\$25,378.37	\$86,314,399
Lumbar Laminectomy	472	\$14,232.14	\$6,681,636	2,325	\$25,969.65	\$66,865,830
Lumbar Spine Fusion	794	\$51,481.14	\$37,813,613			
Pacemaker / Defibrillator	1,264	\$30,777.46	\$37,570,748	1,094	\$30,422.46	\$33,057,062
Shoulder Replacement	538	\$23,905.59	\$13,650,321	566	\$26,908.72	\$15,064,613
Upper GI Endoscopy	8,438	\$1,683.42	\$13,453,931	4,535	\$2,321.21	\$11,341,783

# Episode Parameters

Episode Category	Look Back Period (Prometheus)	Episode Length (Prometheus)	Look Back Period (PACES)	Close Period (PACES)	Episode Length (PACES)
Colonoscopy	3	14	30	90	120
Pacemaker / Defibrillator	7	30	30	90	120
Acute Myocardial Infarction	-	30	3	90	93
Coronary Angioplasty	30	90	30	90	120
Colorectal Resection	30	90	30	90	120
Gall Bladder Surgery	30	90	30	90	120
Upper GI Endoscopy	3	14	30	90	120
Hip Replacement & Revision	30	90	30	90	120
Knee Arthroscopy	30	90	30	90	120
Knee Replacement & Revision	30	90	30	90	120
Shoulder Replacement	30	90	30	90	120
CABG &/or Valve Procedures	30	90	30	90	120
Hip/Pelvic Fracture	-	30	3	90	93
Lumbar Laminectomy	30	90	30	90	120
Lumbar Spine Fusion	30	180	30	90	120

# Episode Differentiation & Categorization

- In certain cases, PACES breaks out differentiated episodes that are implicitly combined under PROMETHEUS. This may require review of enrollment to ensure new episodes are captured, or a decision to bundle sets of episodes for ease of enrollment.
- These are the types of points that will be discussed in detail in the specialty outreach meetings to follow.
- Example:
  - The current PACES colonoscopy episode is focused on diagnostic & therapeutic colonoscopies specifically, breaking out sigmoidoscopies and screening colonoscopies into separate categories.
  - These procedures are all included in the single PROMETHEUS colonoscopy episode.
  - This differentiation, along with the different episode parameters, accounts for the difference on slide 5:

	PROMETHEUS			PACES		
				Including Associations		
Episode Name	Volume	Target Price	Total Cost	Volume	Target Price	Total Cost
Colonoscopy	15,851	\$1,132.26	\$17,547,804	7,583	\$1,484.50	\$12,333,079

# Associations & Sequelae vs. Levels

- PROMETHEUS implicitly 'rolls up' episodes in the grouper logic, allowing for the construction of higher-level episodes, such as the acute episode for myocardial infarction (AMI).
- All PACES episodes are explicitly 'standalone' episodes, which are linked together by sequelae and associations. These links can then be used to incorporate or differentiate related approaches or procedures as needed.

• Example:

Association Episode	Volume
CA0165 - AMI (no association)	99
TP0131 - Cardiac catheterization	55
TP0134 - CABG	19
TP0138 - Percutaneous cardiac intervention	27
TP0160 - Open heart valve surgery	< 11
XT0003 - CABG (including Cardiac catheterization)	36
XT0008 - Percutaneous cardiac intervention (including Cardiac catheterization)	276

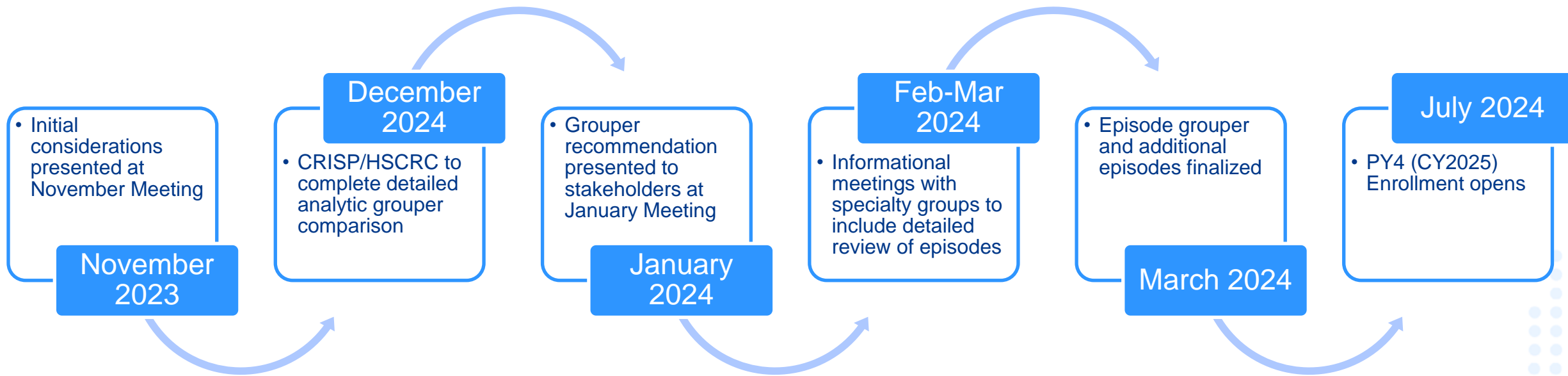
PROMETHEUS AMI episodes: 503



# Next Steps

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# Episode Grouper Decision Timeline



### Tentative Dates:

- 2/8 8-9a
- 2/16 10-11a
- 2/20 6-7p
- 2/27 6-7p





Thank you!

*Next Meeting: February 16, 2024*