North Dakota Medicaid Value Based Care

Interim Health Care Committee | August 30, 2023 | Sarah Aker

Senator Davison, Chair

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Agenda

- Current Medicaid Reimbursement Structure
- ND Medicaid Value Based Care Strategies
- North Dakota Considerations for Value Based Care
- Next Steps & Future Considerations

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Current Medicaid Reimbursement Structure

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How does ND Medicaid pay for services?

Traditional Medicaid: Fee For Service (FFS)	Medicaid Expansion: Managed Care Organization (MCO)
State pays providers directly for each covered service received by a Medicaid recipient.	State pays a monthly fee called a premium or capitation payment to the managed care organization (MCO).
Only services received by recipients are paid.	Monthly fee is paid to MCO regardless of member use of services.

Fee for Service: Inpatient Hospital Reimbursement

- Prospective Payment System (PPS) Hospitals – DRG per stay
- Critical Access Hospitals – Interim per diem with cost settlement when Medicare cost report is finalized
- Psychiatric Hospitals – Per diem
- Rehab Hospitals – Per diem
- Long Term Care Acute Hospitals – Percentage of charges
- Out-of-State Hospitals – Percentage of charges

Fee for Service: Outpatient Hospital Reimbursement

- Prospective Payment System (PPS) Hospitals – Enhanced Ambulatory Payment Groups (EAPG) per stay (starting October 1)
- Critical Access Hospitals – Interim percentage of charges with cost settlement when Medicare cost report is finalized
- Psychiatric Hospitals – Percentage of charges
- Rehab Hospitals – Percentage of charges
- Long Term Care Acute Hospitals – Percentage of charges
- Out-of-State Hospitals – Percentage of charges

Fee for Service: Nursing Facility Reimbursement

- Rates are set annually based on cost reports submitted by facilities
  - Per diem
  - Rates are effective January 1 of each year
  - Based on resident's classification using standardized assessment
  - Classification is typically for 3 months
- Each facility has individualized rates

Fee for Service: Professional Services and Clinics

- Professional services
  - Relative Value Unit (RVU) and Conversion Factor used for most practitioner services
  - Fee (dental, transportation)
  - Center for Medicare and Medicaid Services (CMS) rates (labs, vaccines)
- RHCs and FQHCS
  - Encounter rate, one payment for all services the provider delivers on that day
  - FQHCs can be reimbursed for a medical visit, behavioral health visit and a dental visits on the same day

North Dakota Medicaid Value Based Care Strategies

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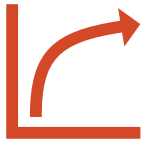
Why Value-Based Care?

Accountability

Improved Patient Outcomes

Stable, predictable revenue for providers

Enhanced healthcare delivery with greater focus on Wellness, Prevention, and Care Coordination



Achieving results will shift the cost curve and lower long term costs.

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Value-Based Care Concepts

Improve the quality and value of health care services provided

Provide comprehensive care coordination across the healthcare delivery system

Improve health outcomes by rewarding high-quality, evidence-based health care

Encourage better health care decision making by tying compensation to outcomes

Where is North Dakota Medicaid Implementing Value Based Care?

- Nursing Facilities
  - Payments Scheduled to Begin in June 2024.
- Prospective Payment System (PPS) Hospitals
  - Value Based Program began July 1, 2023 with initial pay for reporting in 2024.
- Medicaid Expansion
  - Current Managed Care contract includes value-based care requirements.

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Health System Value Based Care

- Puts a portion of hospital payments at risk for performance on a set of quality measures.
- If hospital systems fail to hit the targets, up to 4% of Medicaid revenue for a subset of services and population returns to the state.
  - Systems are given an opportunity to earn back funds through performance on measures in comparison to their peers.

- To support systems in being successful, the Department is working to provide regular access to data analytics that highlight gaps in care and performance on measures.

Health System Quality Measures

Primary Care Access & Preventative Care	Maternal Health Services	Behavioral Health Services	Care of Acute & Chronic Conditions	Oral Health Services
Well-Child Visits First 30 Months of Life (W30-CH)	Postpartum Care: Prenatal and Postpartum Care (PPC-AD)	Screening for Depression and Documented Follow-up Plan (CDF-AD; CDF-CH)	Emergency Department Utilization per 1000	Topical Fluoride for Children (TFL-CH)
Child & Adolescent Well-Care Visit (WCV-CH)	*Option 1:* Prenatal Care: Prenatal and Postpartum Care (PPC-AD)	*Option 1:* Follow-up After Emergency Department Visit for Alcohol and Other Drugs Abuse or Dependence	Controlling High Blood Pressure	
Breast Cancer Screening (BCS-AD)	*Option 2:* Contraceptive Care: Postpartum Women (CCP-AD)	*Option 2:* Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment	Plan All-Cause Readmission (PCR-AD)	
PCP Visit Percentage				
Colorectal Cancer Screening (COL-AD)	*Option 3:* Structural Measure: Perinatal Collaborative Participation	*Option 3:* Continuity of Care After Medically Managed Withdrawal from Alcohol and/or Drugs		

Initial Measure Set

Expanded Measure Set

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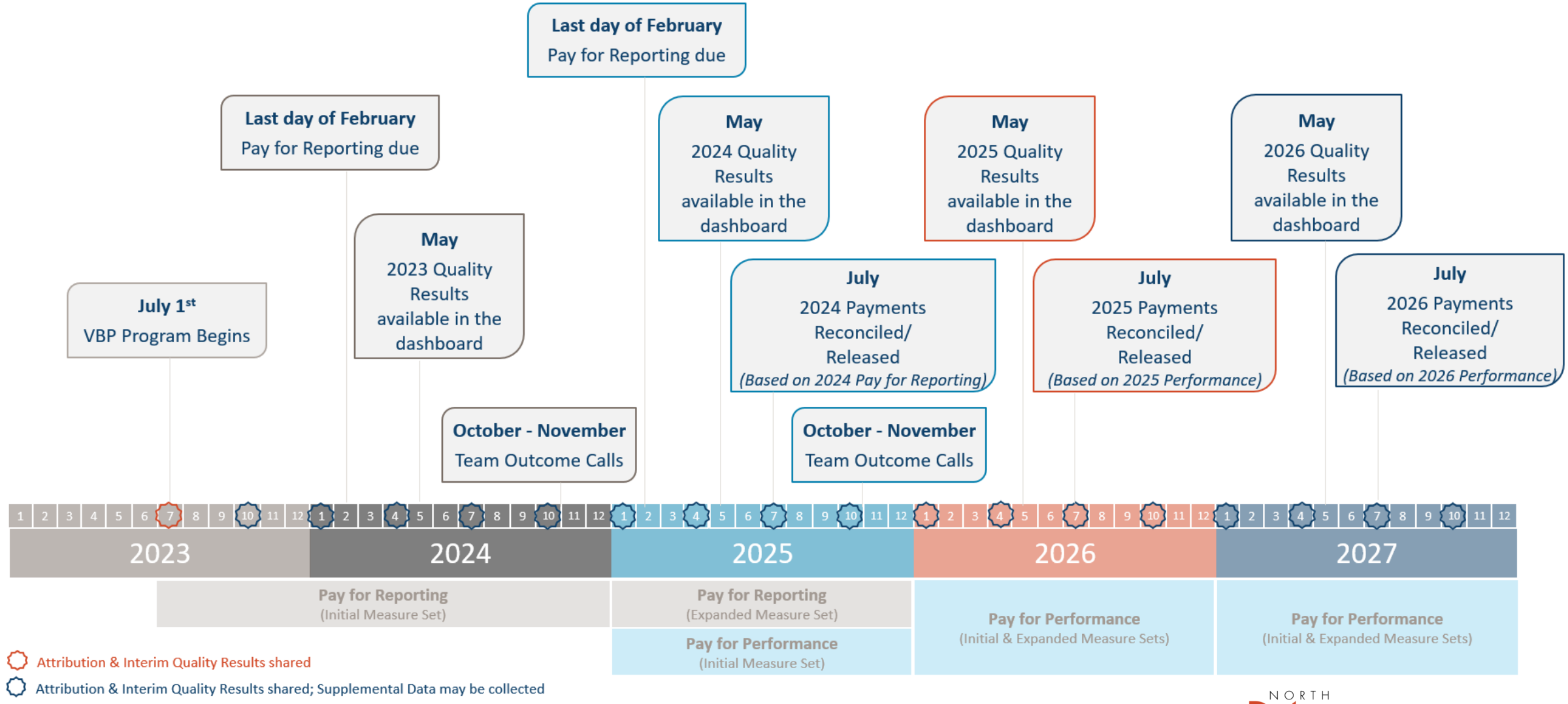
Timeline



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Nursing Facility Value Based Care

- Incentive program; no payments are at risk.
- All Medicare/Medicaid certified facilities that have been open 10 months will participate.
- First payment scheduled to be made June 2024
- Annual payments based on Quality Measure performance:
  - Tier 1: 100% of incentive payment
  - Tier 2: 85% of incentive payment
  - Tier 3: 60% of incentive payment
  - Tier 4: Not eligible for an incentive payment
- Nursing Facility Quality Measures:
  - Patient Care Measures
    1. Long-Stay Urinary Tract Infections
    2. Long-Stay Antipsychotic use
    3. Long-Stay Pressure Ulcers
  - Facility Process Measures
    4. Long-Stay Hospitalizations
    5. ACHA/NCAL National Quality Award (Baldrige Framework)

Medicaid Expansion & Value Based Care

- ND Medicaid's Managed Care contract for Medicaid Expansion members requires the vendor to create a strategic plan and implement alternative payment methodologies.
- The contract requires the vendor to increase the number of providers participating and members attributed over time.

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Value-Based Programs (VBP)
Medicaid Expansion Update

- All Medicaid Expansion members are attributed (assigned) to a primary care facility
- Over 90% of primary care providers participate in BlueAlliance Care+
- BlueAlliance Care+ goals:
  - Improve quality
  - Reduce unnecessary utilization
  - Manage costs
- Care+ providers are eligible to receive performance-based payments to align outcomes with payment

Measure Name	1 Point	2 Points	Max Points by Measure
Primary Care Visits (PCV)	≥ 50%	≥ 70%	2
Post-Discharge Follow up	≥ 40%	≥ 60%	2
Potentially Preventable ER Visits (PPV)	≤ 30%	≤ 10%	2
Potentially Preventable Admissions (PPA)	≤ 30%	≤ 10%	2
Potentially Preventable Readmissions (PPR)	≤ 30%	≤ 10%	2
Breast Cancer Screening (BCS)	Shadow Measure		
Cervical Cancer Screening (CCS)	Shadow Measure		
Colorectal Cancer Screening (COL)	Shadow Measure		

Quality Tier	Quality Percentage
A	8, 9 or 10 points
B	6 or 7 points
C	4 or 5 points
D	<4 points

ND BlueAlliance

Value-Based Programs (VBP)
Medicaid Expansion Update

- Primary Care Access
  - 97.6% of Care+ participating organizations are evaluating urgent appointments and expanding access outside current business hours
  - Members with a primary care visit: 62%*
- Care Coordination & Transitions
  - All Care+ participating organizations have hospital discharge follow up & referral tracking processes
  - Post hospital discharge follow-up: 65%*

- Avoidable Hospital Admissions
  - Overall 9% decrease in avoidable hospital admissions/1000**
- Avoidable Emergency Room Visits
  - Overall 18% increase in avoidable emergency room visits/1000**
    - 28% increase amongst members with multiple complex chronic conditions

In late 2022, BCBSND deployed additional resources across the state including community health workers, social workers and nurse practitioners to assist members. Over 17,000 points of clinical engagement in first half of 2023.

ND BlueAlliance

*Average across all Care+ facilities through March 2023
**3M Data 7/2021-6/2022 compared to 5/2022-4/2023

Value Based Care Considerations for North Dakota

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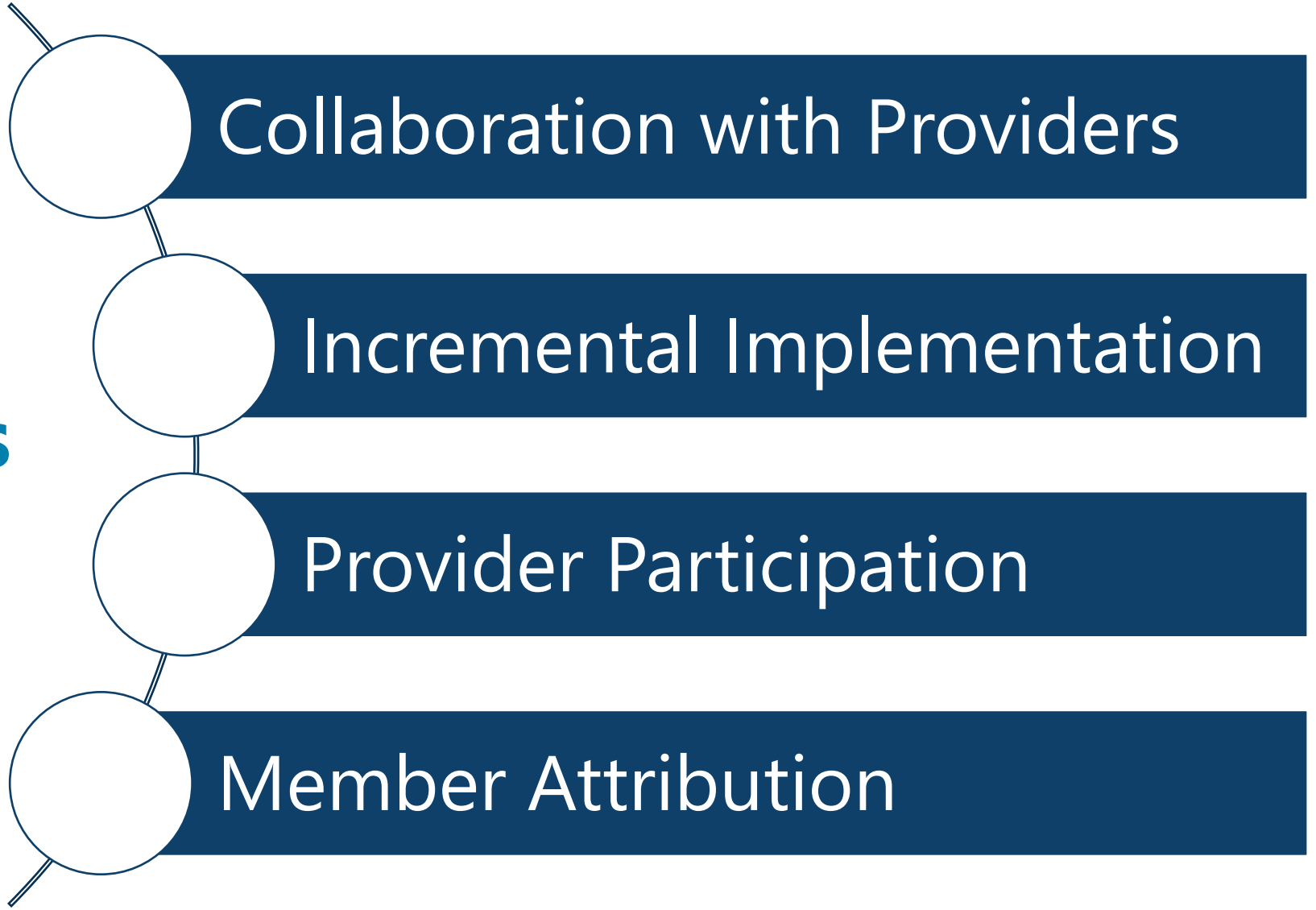
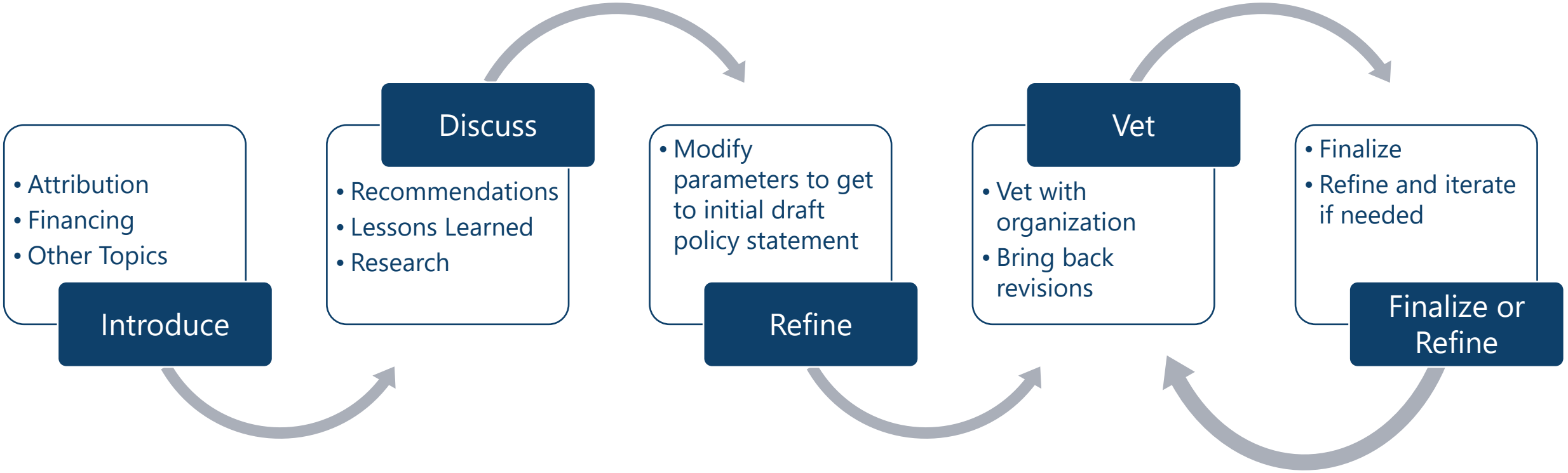
Value Based Care Considerations for North Dakota



Process of Collaboration

Each meeting we have discussion on reactions and feedback to proposals, review the assimilation of feedback to date, and work on refinement and/or finalization.



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Monthly Health System Collaboration

- Receive input and feedback with respect to key design elements, operational requirements, procedures of the program.
- Aligning the VBP strategy with other payer and provider quality initiatives.
- Work collaboratively with health systems to develop a viable model that supports constructive relationships.
- Active, solution-oriented engagement and input from health systems.
- **All policies are subject to CMS approval.**

ND VBP Stakeholder Meeting

- Utilize the North Dakota Quality Strategy as a roadmap in partnership with DHS, to facilitate improvements of the ND Medicaid population health outcomes, ensure better experience, and smarter spending.
- Identify and problem-solve common challenges, especially those related to data, reporting, communication, and project implementation.
- Identify tools needed by providers to achieve desired clinical outcomes and quality improvements when applicable.
- Provide updates to members about the VBP design and implementation.
- Active participation in meetings and share resources and best practices.
- Disseminate information to Quality leads in health systems.

ND VBP Quality Workgroup

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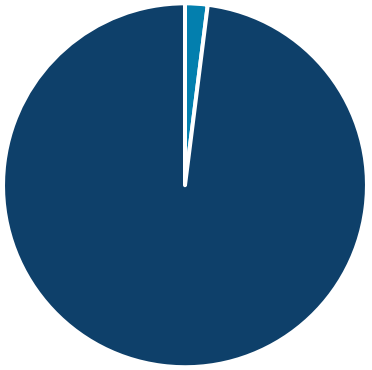
Incremental Approach

- ND Medicaid wants providers to be successful in the transition to value based care.
- Providers need predictable revenue and time to transition.

Nursing Facility Payments



$12 Million appropriated in 2023 – 2025 Biennium for Value Based Care

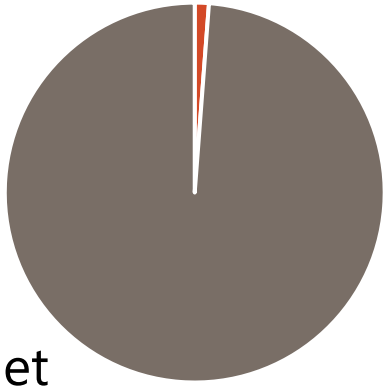
Represents **2%** of Biennium Nursing Facility Budget

■ Value Based Payments ■ All Other Nursing Facility Payments

Hospital Payments

Estimated **$4.2 Million** at risk in 2023 – 2025 Biennium for Value Based Care

Represents **1.1%** of Biennium Inpatient/Outpatient Hospital Budget



■ Value Based Payments ■ All Other Hospital Payments

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Provider Selection

- ND Medicaid's approach limits the number of providers with at risk payments.
  - Nursing Facilities Funded with New Appropriation (No Risk)
  - Hospital Risk limited to Prospective Payment System Hospitals
    - First Cycle Only puts a hospital at risk if they do not report.

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Member Attribution

- For at risk providers, ND Medicaid's approach only puts providers at risk for patients attributed to them.
- Providers are not at risk for unattributed members or members who belong to another system.

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Next Steps and Future Considerations

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Next Steps

- State Plan Amendment Submission and Centers for Medicare and Medicaid Services (CMS) Approval
- Continued Stakeholder Workgroups to Implement Current Model and Continue to Grow Value Based Care

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Future Considerations

- Data and Outcomes Assessment
- Evaluate Additional Quality Measures
- Increase Participation in Value Based Care
- Increase Medicaid Budget Dedicated to Value
- Increase Provider Incentives and Partnerships
- Explore Care Management Models
- Alignment with Medicaid Expansion and Other Payers

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