Meeting #3

Date: October 1, 2015

Location: 5 University Place, Rensselaer NY

Attendees:

TD I Subcommittee Attendance_Meetin(

Overview

This was the third meeting in a series of meetings for the Technical Design I Subcommittee (SC). The purpose of the meeting was to discuss the draft recommendations (see agenda below), introduce new topics and raise any questions or concerns.

The specific agenda for this meeting included the following:

1. Review of Draft Recommendations:
    a. Attribution Methodology
    b. Methodology for Setting the Target Budget and Calculating Shared Savings/Losses (previously 'Benchmarking')
        i. Distribution of Shared Savings
    c. Practical Approach to Retrieving Overpayments from Plans to Providers
2. Introduction to New Topics:
    a. How should the Stop Loss/Risk Corridor mechanism be designed?
3. Next Steps and Action Items

Key Discussion Points (Reference slide deck "Tech Design I Meeting #3 Presentation")

1) Review of Draft Recommendations

Attribution Methodology

The SC walked through the draft recommendation on attribution, clarifying that the recommendation is a guideline and not a standard. The attribution methodology will be decided between the provider and MCO. The recommendation will be updated to highlight the continued flexibility in contracting between providers and MCOs. Given the number of attribution options for each respective population, it will be critical for the State to be informed by the providers and MCOs which attribution option that they will employ. The SC was reminded that Medicaid members will maintain the current ability to choose their provider(s) within the health plan's network.

Methodology for Setting the Target Budget and Calculating Shared Savings/Losses

The SC moved forward to review the target budget and shared savings recommendation. Each step of the proposed methodology was reviewed in detail. When discussing how to set a baseline for the target budget, several SC members asked how social determinants of health are reflected in the calculation. It was clarified that the baseline calculations used to set respective target budgets reflect the health status of the community, as they contain three years of provider-specific, historic data. The SC was also reminded that the Social Determinants of Health Subcommittee is working to address this topic. While talking through how to set growth trends and determine risk adjustments, the SC asked about the type of data that would be available to inform these calculations. The Medicaid Analytics Performance Portal (MAPP) will be a key tool for plans and providers tracking their data and outcomes. MAPP creates integrated data sets using the Medicaid Data Warehouse, the DSRIP/Health Homes Data Warehouse, and information from Social and Health Programs and Systems, to provide detailed and actionable information for both plans and providers. The data in MAPP is presented via numerous applications, including: health home business and member tracking; health home care plans; DSRIP online tools including provider networks and calculations of member attribution; and analytics and performance management.

During the discussion on shared savings guidelines, the SC was reminded that the shared savings percentages used in the meeting's presentation are guidelines to start contracting discussions/negotiations, and do not serve as a standard. Two edits to the presentation were requested: (1) it was asked that the term "VBP contractor" replace references to PPSs, as PPSs will not become contracting entities; and (2) that a slide be updated to remove an example highlighting FQHCs, as this example might be misconstrued.

The SC spent additional time deliberating on the topic of public reporting of shared savings percentages, a concept that had been requested in order to promote fairness in shared savings distributions. The SC felt that the public reporting requirement was burdensome and difficult to implement on a large scale (reporting on thousands of contracts). The public reporting requirement will be removed from the shared savings portion of the recommendation.

Overall, the recommendation will be updated and finalized based on the discussion.

Practical Approach to Retrieving Overpayments from Plans to Providers

The SC approved the recommendation on retrieving overpayment, agreeing that sufficient current practices and regulatory guidance are in place (including in the MCO model contract) for plans and providers to build off of existing practices and agree upon additional details of overpayment recovery in their contracts.

2) Introduction to Stop Loss and Risk Corridors

The Subcommittee was presented with information on the topics of stop loss and risk corridors, clarifying the levels of financial protection offered by each. In relation to this topic, it was noted that the Regulatory Subcommittee is currently working on establishing a standard around levels of risk, creating three tiers or VBP contract review categories with corresponding levels of State review and approval. This standard will help to define how much risk VBP contractors can safely take on. The final version will be shared with the TD I SC when ready.

The Subcommittee has agreed that no standard or guideline is necessary to recommend. Once the Regulatory Subcommittee and the State finalize the risk review standard, no further guidelines around stop loss and risk corridors will be required. MCOs and providers will be able to use any combination of mechanisms to adhere to the risk standards. The State will be developing trainings in 2016 to ensure that providers can access information and gain familiarity with these concepts.

The conversation on Stop Loss and Risk Corridors included two questions that will be shared with the Regulatory Subcommittee for follow up:

1. Does the responsibility for stop loss move from plans to providers, and are there processes in place to reduce the likelihood of risk being insured twice?
2. Can providers purchase reinsurance and stop loss from a third party collectively, in order to lessen the cost of purchasing individual reinsurance policies?

Each of these questions will be reviewed, and the answers will be shared with the SC at a later time.

Materials that have been distributed during the meeting:

#	Document	Description
1	Tech Design I Meeting #3 Presentation VBP Technical Design I_Meeting 3	An overview of the draft recommendations on attribution, target budget, and shared savings, as well as an introduction to stop loss/risk corridor mechanisms.
2	Attribution, Target Budget, and Shared Savings Recommendations REVISED Attribution Target B	Recommendations made by the subcommittee, including tracked edits to highlight updates made to the document.
3	Meeting #2 Summary Meeting 2_VBP Tech Design I_Summ	Minutes from the previous meeting's discussion.

Key Decisions

Prior to the next meeting, Subcommittee members will receive the finalized recommendations discussed in this session. The next meeting will place at the MetLife Building in Manhattan at 11:00 am on October 21, 2015. Subcommittee members will be notified if any changes in meeting schedule or logistics occur.

Conclusion

In the next meeting the SC will be introduced to the following new topics:

1. Medicaid budget from a VBP perspective.
2. What should be the approach to risk adjustment methodology for TCTP and what happens with the 'remainder' of TCTP costs when bundles/IPC are subcontracted? How does this work conceptually and in practice?
3. Incentivizing MCOs to contract VBP arrangements and high value providers.
4. Criteria for hospitals to receive 50% of shared savings in IPC contracting.