

**Distribution
Shared Losses/Savings
Among Providers**

An Introduction

Guiding Principles

NYS Road Map

- Funds are to be distributed according to provider effort, provider performance, and utilization patterns in realizing the overall efficiencies, outcomes, and savings.
- Required investments and losses of the involved providers can be taken into consideration in calculating and distributing overall savings.

Integrated Primary Care Models

Key Features

- Integration will (usually) be virtual
- Getting the right balance is critical
 - Incentives and Protections
 - Risks and Rewards
 - Investments and Returns

Core Services of Primary Care

A Taxonomy

- Preventive Services
- Diagnosis and Treatment of Illness
- Management of Chronic Disease

- Birthing/Maternity Care
- End of Life Care

The Trajectory of Advanced Primary Care

New Capabilities

- Information Management
- Adoption of Evidence-Based Standards
- Team Orientation
- Continuous Improvement

Advanced Primary Care Added Services

- Assured Access
- Care Coordination
- Care Management
- BHS Integration/Collaborative Care
- Specialty Integration/Care Compacts

Getting to Advanced Primary Care Initial Investments

- EMR
- Training
- Lost Productivity
- Additional facility requirement
- Data Management Technology

Providing Advanced Primary Care Operating Costs

	<u>PPPM</u>
○ EMR	\$1.91
○ APC Administrative Operations	\$1.31
○ APC Clinical Operations	\$2.42
○ Care Management	<u>\$2.91</u>
Total	\$8.55

Costs of Care

Medicaid -2013

ADK Medical Home Pilot

VS.

Matched Cohort/Non-ADK, Non-PCMH

	<u>ADK</u>	<u>Non-ADK</u>	<u>Difference</u>	<u>%</u>
Primary Care	3,861,179	2,695,703	1,165,477	↑ 43%
Other Outpatient	34,950,365	43,350,048	(8,399,683)	↓ 19%
Inpatient	6,195,511	12,568,293	(6,372,782)	↓ 50%
Pharmacy	6,012,280	8,552,919	(2,540,638)	↓ 30%
All costs	51,019,335	67,166,964	(16,147,628)	↓ 24%

Distribution of Shared Savings/Losses

Guiding Principles

(cont'd)

- The relative budgets of the providers involved should not be the default mechanism for making the distribution of savings/losses
- The distribution of shared savings should follow the same principles as the distribution of shared losses.
- For shared losses, smaller providers, financially vulnerable providers, or providers with a regulatory limitation on accepting certain losses (e.g. FQHCs) may be treated differently by the VBP contractor to protect these individual providers from financial harm. It is legitimate that this 'special treatment' would weigh in as an additional factor in determining the amount of shared savings that these providers would receive.