

SEAC 2021



CMMI Initiatives & the Future of Value-Based Arrangements

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Agenda

History of CMMI Programs



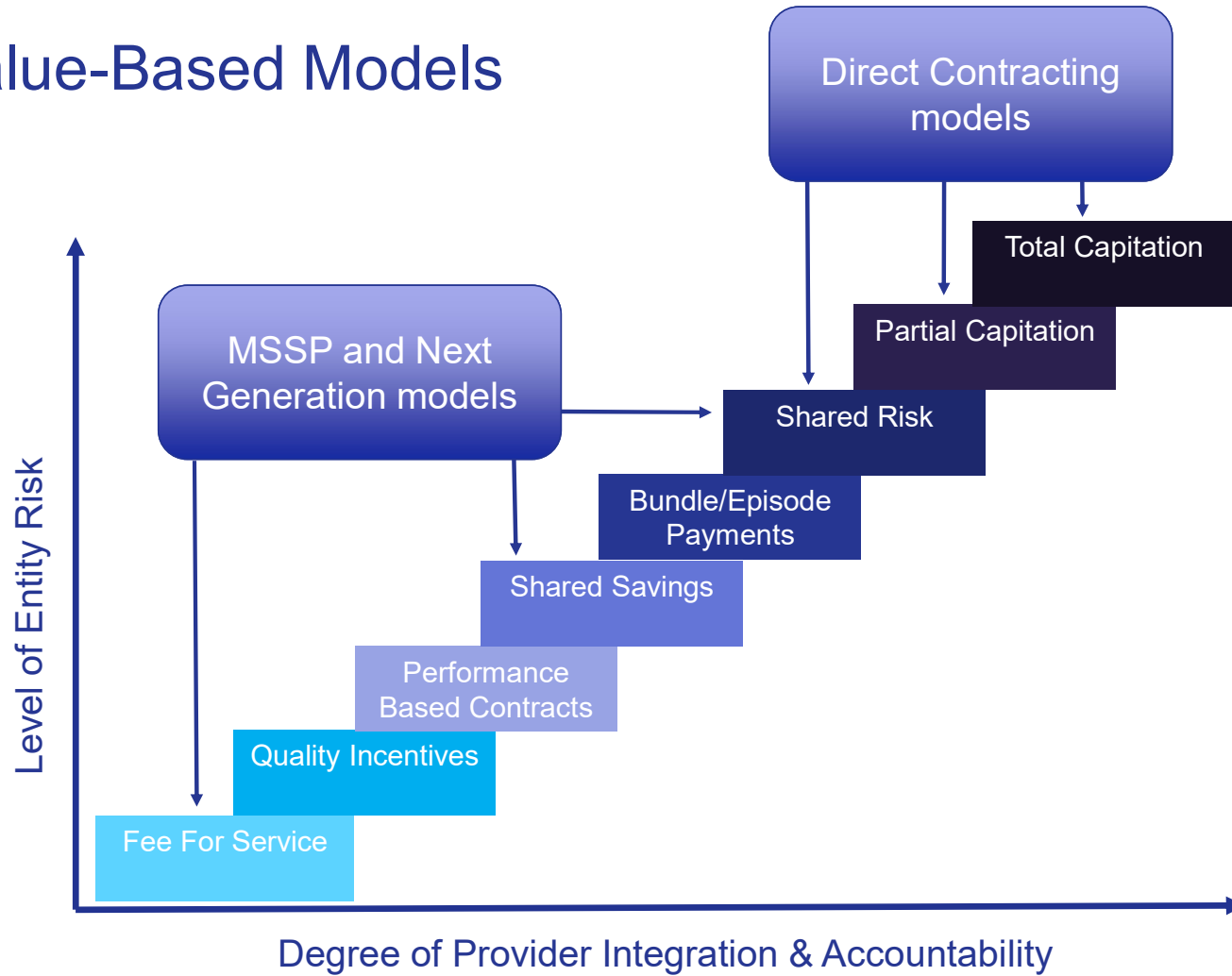
CMMI Vision for the Next Decade



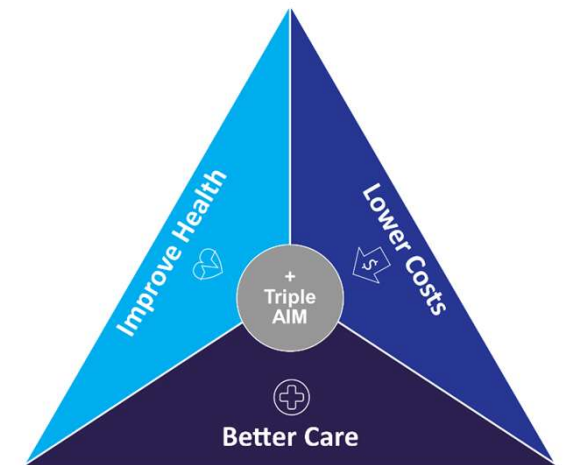
Direct Contracting and MSSP
Overview

History of CMMI Programs

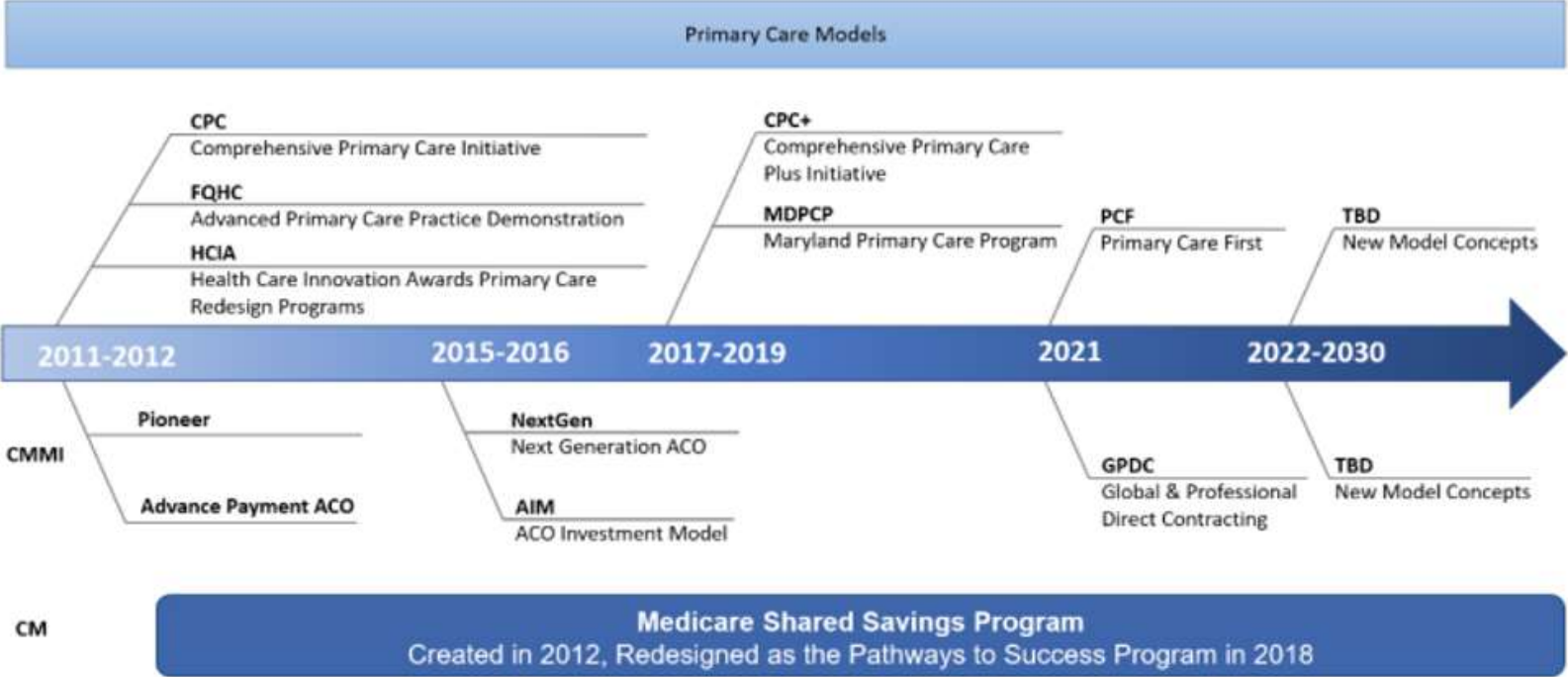
Value-Based Models



- Value based program = care delivery reform + quality component + payment reform
- Value based care doesn't describe a model, but a spectrum of models



History of CMMI/CMS Programs



CMMI has a wide variety of programs aimed at achieving the Triple Aim

*Source: <https://innovation.cms.gov/strategic-direction>

CMMI's Vision for the Next Decade

CMMI's Strategic Objectives

Vision



A health care system that achieves equitable outcomes through high quality, affordable, person-centered care.

Drive
Accountable
Care



Advance
Health Equity



Support
Innovation



Address
Affordability



Partner to
Achieve System
Transformation



CMMI's Strategic Objectives – Key Learnings

Ensure health equity is embedded in every model

Streamline the model portfolio and reduce complexity and overlap to help scale what works

Tools to support transformation in care delivery can assist providers in assuming financial risk

Design of models may not consistently ensure broad provider participation

Complexity of financial benchmarks have undermined model effectiveness

Models should encourage lasting care delivery transformation



CMMI's Strategic Objectives – Timeline

Commitment to Total Cost of Care Models

- All Medicare FFS Beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030
- The vast majority of Medicaid beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030

Stakeholder Engagement (next 3-6 months)

- White paper launch (October 2021)
- Listening sessions with beneficiaries, health equity experts, primary care, safety net, specialty providers, states, and payers (2021-22)
- 2021 LAN Summit (December 2021)
- LAN Health Equity Action Taskforce (Ongoing)

Stakeholder Engagement (next 6-24+ months)

- Outreach to communicate and share strategy via conferences, podcasts, and learning events
- Launching a stakeholder engagement strategy across the life cycle of models
- Sharing model test data with external researchers to contribute to learnings
- Leveraging existing and new mechanisms to enhance engagement with patients, providers, and payers and improve transparency in model design/implementation



Model Opportunities that Inform Strategy and Transformation

- Advancing Health Equity: Community Health Access and Rural Transformation Model
- Accountable Care: Initial cohorts for Primary Care First (PCF) and Global/Professional Direct Contracting (GPDC)
- Accountable Care: ESRD Treatment Choices Model
- Addressing Affordability: Part D Senior Savings Model

Examples of Model Opportunities that Advance Strategy and Inform Transformation

- GPDC Second Cohort
- PCF Second Cohort
- Kidney Care Choices model
- Radiation Oncology model

Model Types that Drive Transformation

- ACO model tests that create accountability for total cost of care and outcomes
- Advanced primary care model tests
- Specialty care model tests that support integrated, whole-person care
- State total cost of care model tests

Examples of Efforts to Address Cross-Model Issues

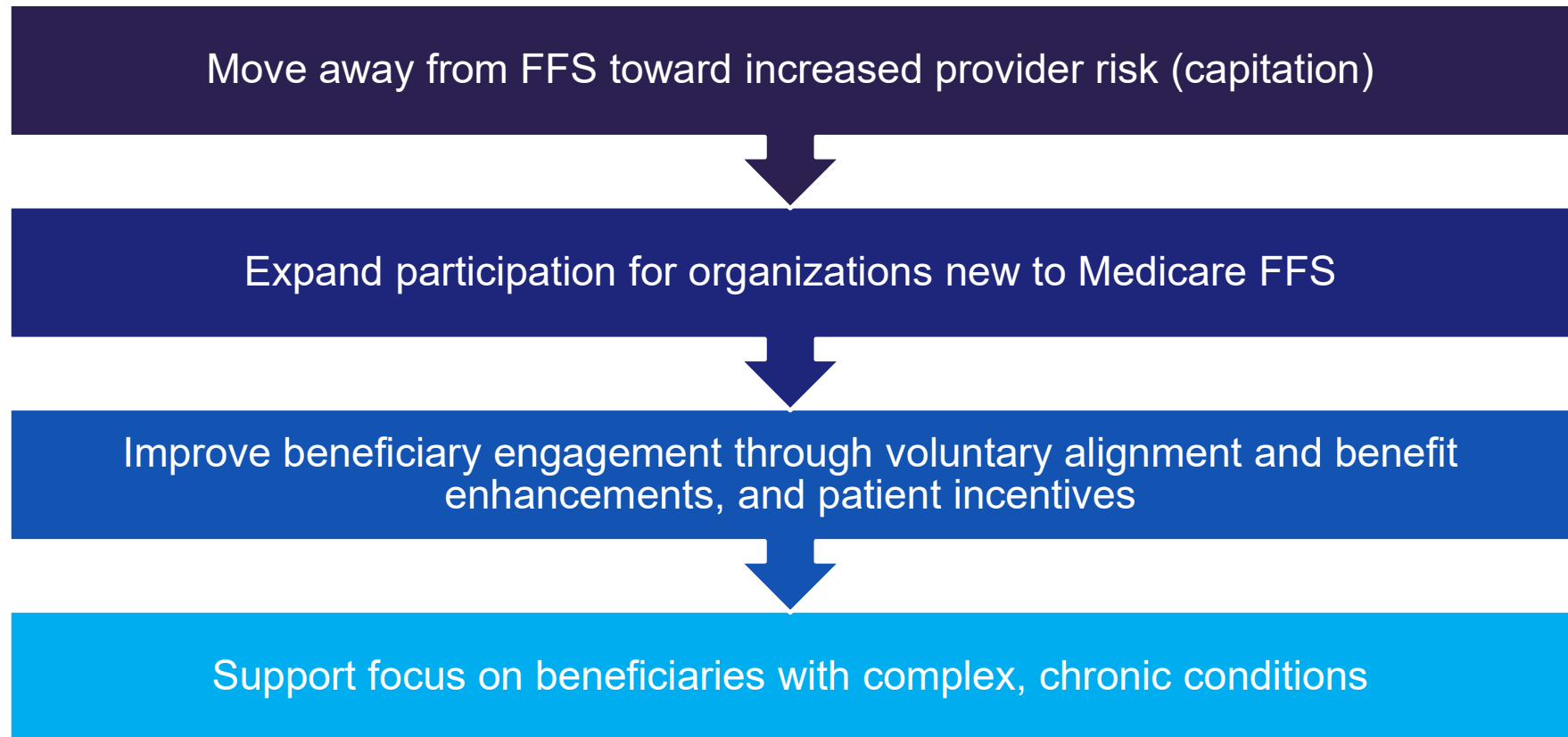
- Health equity data collection
- SDoH screening and referral
- Benchmarking
- Risk adjustment
- Provider performance data platforms
- Engaging providers that care for underserved beneficiaries

Direct Contracting

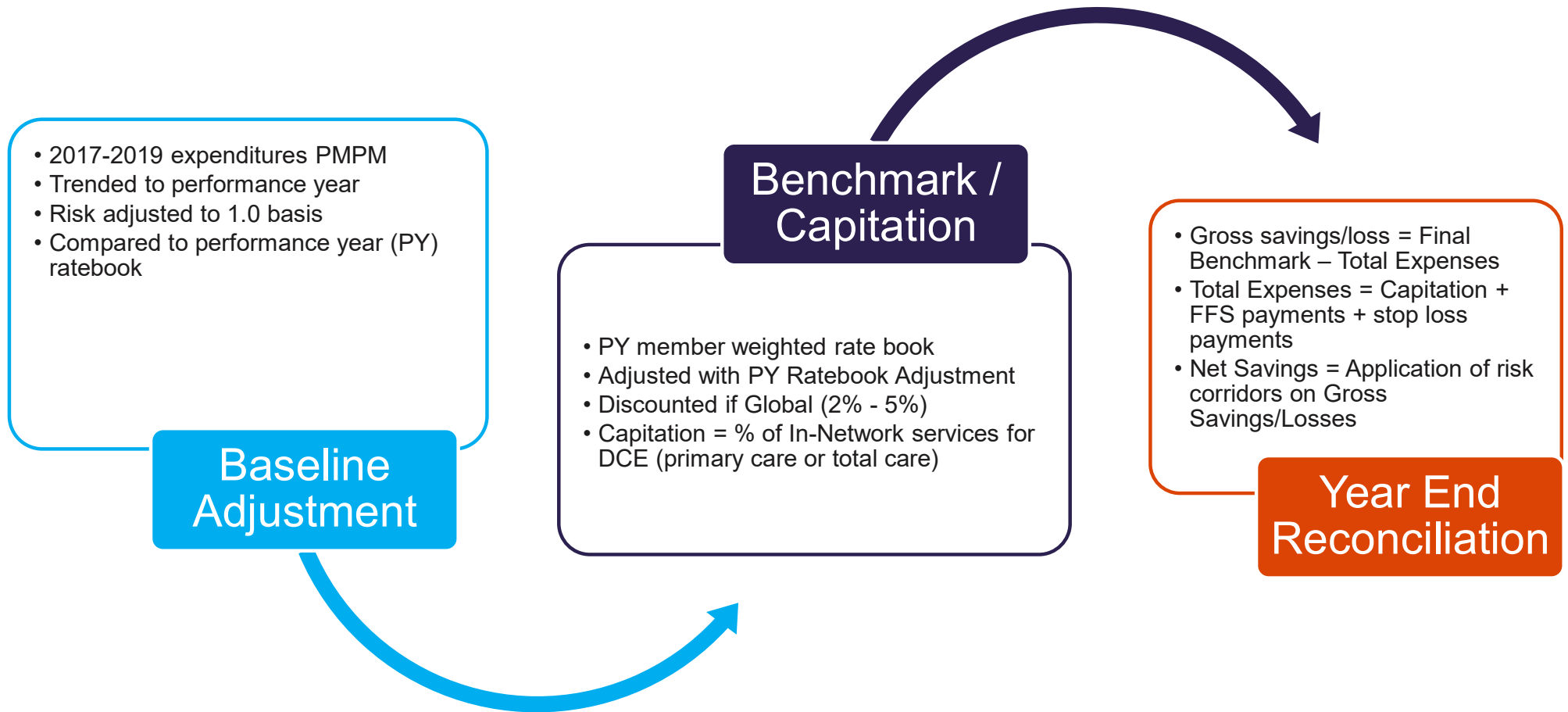
Direct Contracting Overview

| | GPDC Models – 4/1/2021 Start | | On Hold |
|-----------------------------------|--|---|--|
| | Professional | Global | Geographic |
| Risk-Share | 50% of shared savings/losses | 100% of shared savings/losses | 100% of shared savings/losses |
| Direct Contracting Entities (DCE) | Physician practices, ACOs, Medicaid MCOs | | Large regional health systems, ACOs, Medicaid MCOs, MA plans |
| Beneficiary Alignment | Prospective alignment; Prospective Plus Alignment / Emphasis on Voluntary Alignment | | Claims-Based, Voluntary, and Random Alignment |
| Capitation Payments to DCE | Primary Care Capitation / Advanced Payment Option | Primary Care / Advanced Payment Option or Total Care Capitation | Total Care Capitation or full FFS risk with reconciliation |
| Benefit Waivers | SNF 3-Day Waiver, Telehealth Expansion, Post-Discharge Home Visit, Care Management Home Visit; Considering additional home health waivers | | |
| Patient Engagement Incentives | OTC vouchers, transportation vouchers, cost share reductions, meal support, wellness programs, items to support chronic disease management | | |

CMMI Direct Contracting Goals

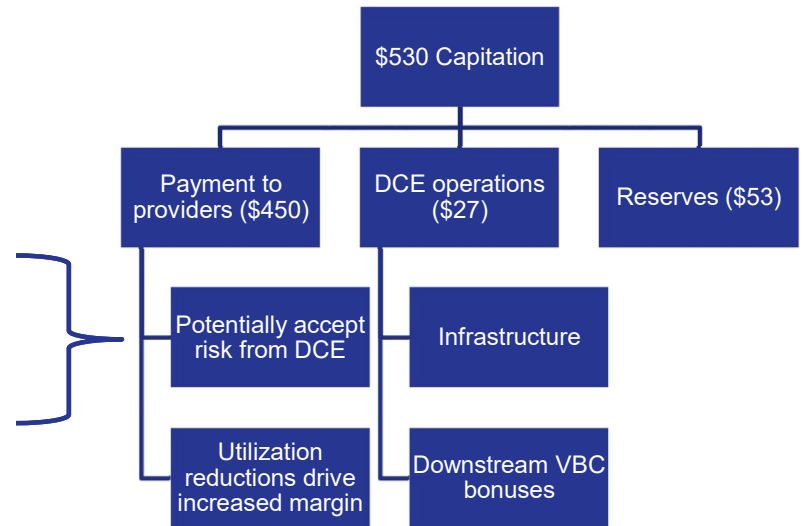
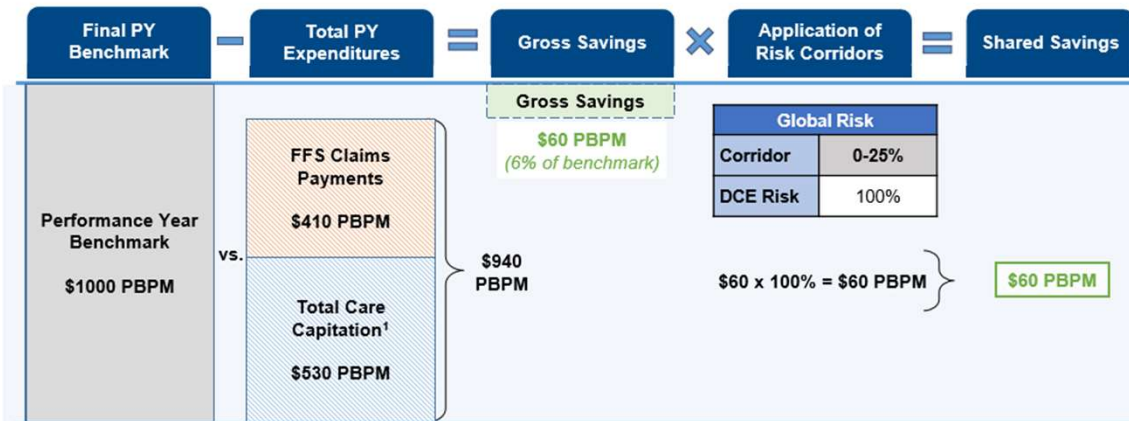


Financial Methodology



Example Reconciliation

After the Performance Year is completed, CMS compares all Medicare FFS expenditures for services delivered to aligned beneficiaries against the DCE's performance year benchmark to determine shared savings or shared losses



1. The Total Care Capitation amount will not be reconciled directly against claims covered by the TCC and will be included in expenditures as it was paid to the DCE



Direct Contracting Participation

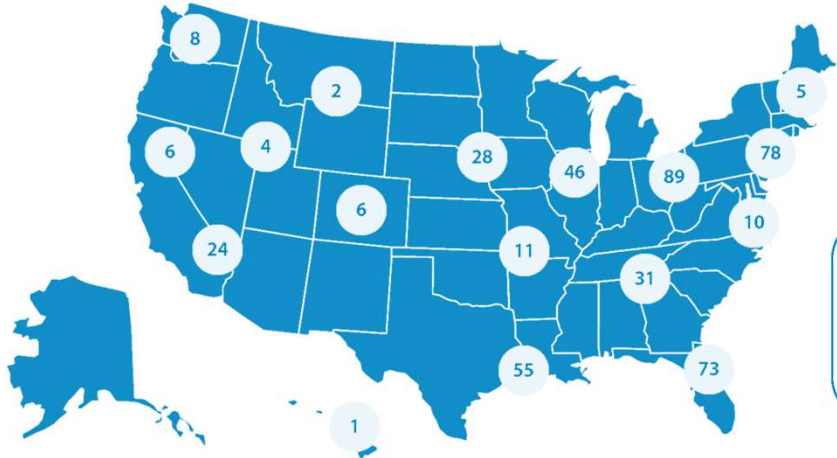


- Expecting increased participation in 2022
- Future application period is unknown

Medicare Shared Savings Program (MSSP)

MSSP Overview

The Shared Savings Program is committed to achieving better health for individuals, better population health, and lowering growth in expenditures.



477 Shared Savings Program ACOs are providing care to 10.7 million beneficiaries

Number of ACOs in the area.
NOTE: This area may cover organizations serving beneficiaries across multiple states.

source: Performance Year 2021 Medicare Shared Savings Program Accountable Care Organizations

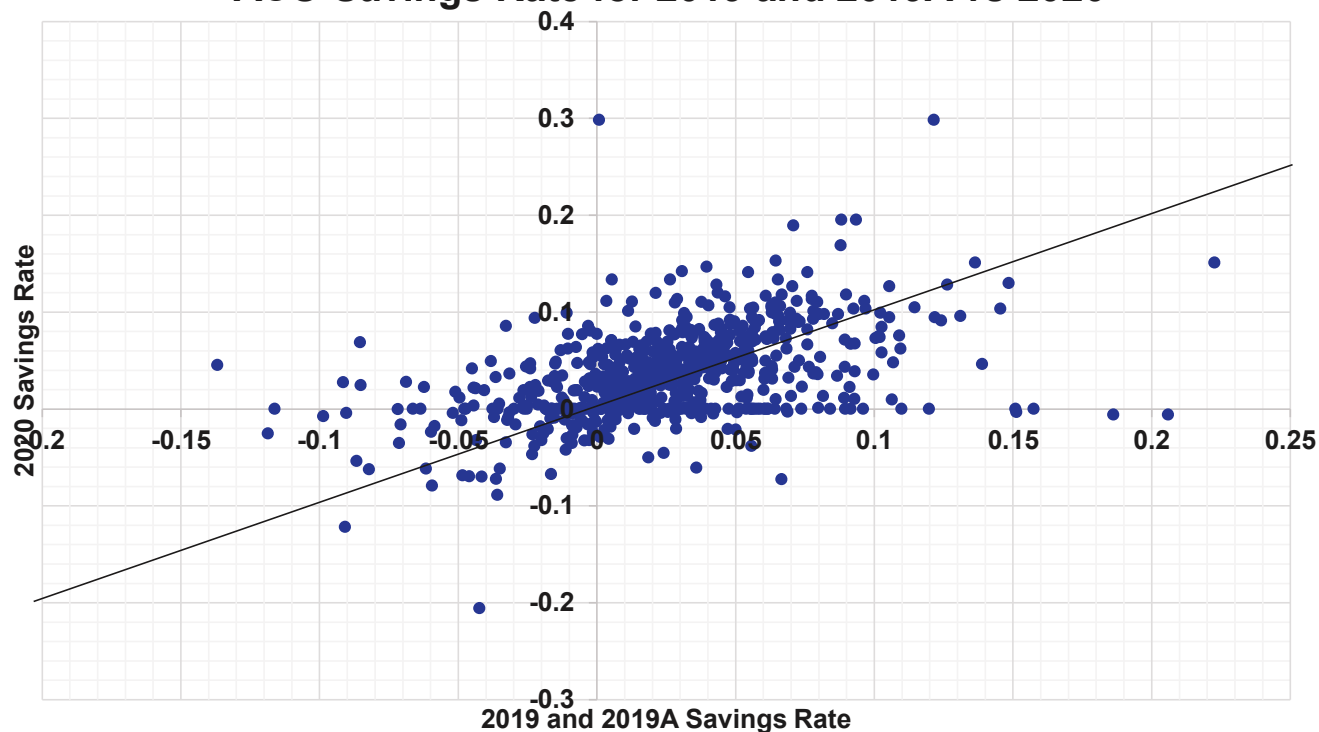


Excluding Medicare Advantage participants, Medicare ACO programs now care for almost a third of Medicare beneficiaries

2020 Shared Savings

2019 vs 2020 Performance

ACO Savings Rate for 2019 and 2019A vs 2020



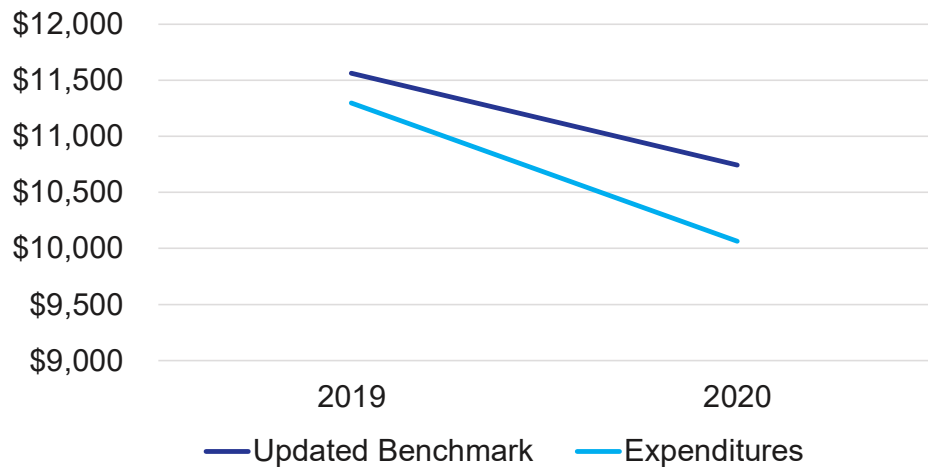
- On average, ACOs performed more favorably in 2020 than 2019 and 2019A with 3.7% average savings rate in 2020 vs 2.6% in 2019 and 2019A.
- Almost two-thirds of ACOs (64%) performed better in 2020 than in 2019 or 2019A.
- The variance in results was slightly higher in 2020.

2020 Shared Savings

2019 vs 2020 Performance



Average Benchmark and Expenditures by Year



| | 2019 | 2020 | Change |
|--------------------|-----------|-----------|--------|
| Historic Benchmark | \$ 10,610 | \$ 11,245 | 6.0% |
| Updated Benchmark | \$ 11,563 | \$ 10,743 | -7.1% |
| Expenditures | \$ 11,298 | \$ 10,063 | -10.9% |

2020 Performance

COVID Impacts on Shared Savings

No Shared Losses

- Due to the public health emergency, CMS has removed any downside risk for ACOs in 2020. No ACOs will need to pay back losses.

COVID related expenditures removed from performance

- Within the benchmark trend and the ACO specific expenditures

Telehealth

- CMS has expanded the definition of primary care services to include certain telehealth visits as well

Medicare Shared Savings Program

Proposed Changes to the Program

Financial/Shared Savings

Increase Shared Savings rates to be no less than 50%

Increasing risk ratio cap to be 5% rather than 3% over 5 years

Adding a cap on the low side of the risk ratio

Equity

Rural Glitch – remove ACO beneficiaries from the regional portion of their benchmark

Study racial disparities for ACOs vs FFS

Funding Support for ACOs

Advanced Funding for ACOs

AIM and CHART model – startup and ongoing funding to support ACOs

Other

Eliminate the High/Low Revenue distinction for ACOs

Allow more time before ACOs are required to take on downside risk

Adjust the threshold required to qualify as an Advanced APM

Questions?