CCM 2.0

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Oregon's health system transformation

Cost Containment for OEBB & PEBB (SB 1067)

- Larger hospitals **limited to 200% of Medicare** max reimbursement effective 10/1/19.
- **"Value-based" compensation cannot exceed** 200% of Medicare reimbursement limit.
- **3.4 % annual growth limitation** per member on expenditures for health services.

Primary Care Reform Collaborative Initiative (SB 934)

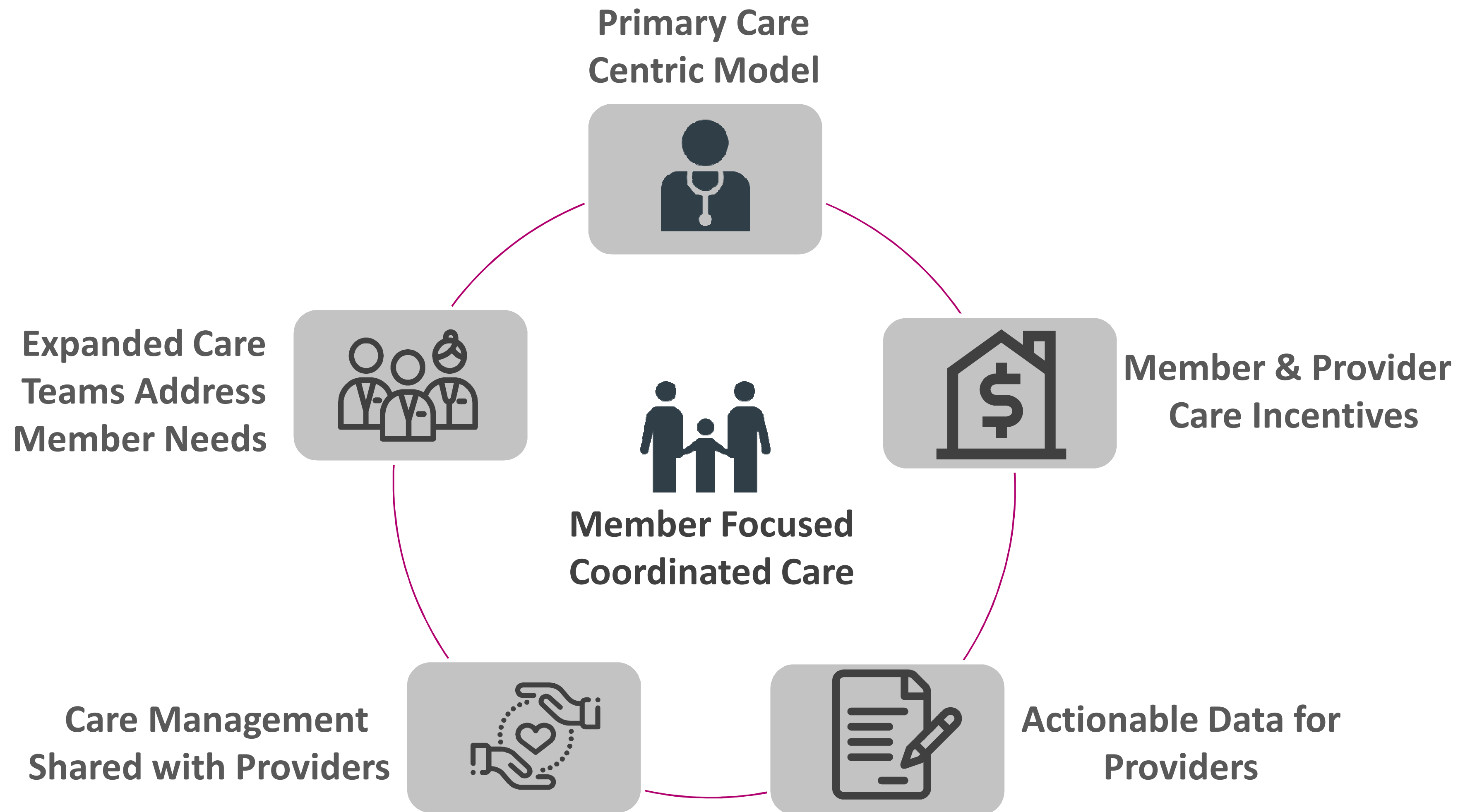
- **Value-based payment** methods.
- Technical assistance to clinics and payers.
- **Aggregate data** across payers and providers.
- **Align metrics** and alternative payment structures.
- **Integrate** primary care behavioral and physical health care.
- **Primary care cost** must be at least 12% of medical expenditures.

CCO 2.0 Goals

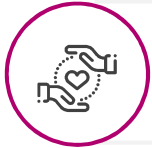
- Improve **behavioral health** system including **access and integration** of care.
- **Increase value** and pay for performance.
- Focus on **social determinants of health** and **health equity.**
- Maintain **sustainable cost** growth.

Member engagement

CCM 2.0: Coordinated care - Supporting members

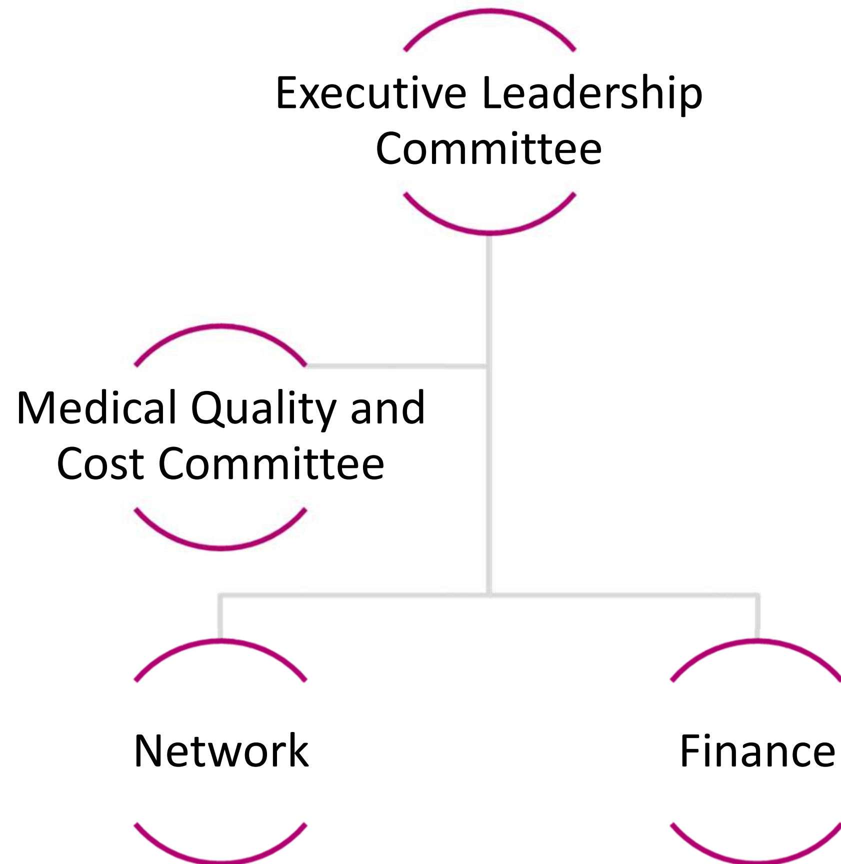


CCM 2.0: Moda supporting members

Moda Cross Departmental Team	Member Support Focus Areas
 Health Care Services	Address Gaps in Care
Medical Informatics	Leverage Technology
Actuarial Services	Connect Members to Care
Provider Services	
Government Programs	

Provider engagement

CCM 2.0: Enhanced provider partnerships



Executive Leadership Committee
- High level review of financial reports, quality & cost measures, network changes/updates

Medical Quality and Cost Committee
- Provider engagement and education
- Data & reporting

Network Committee
- Access assessment

Finance Committee
- Risk model settlement reports

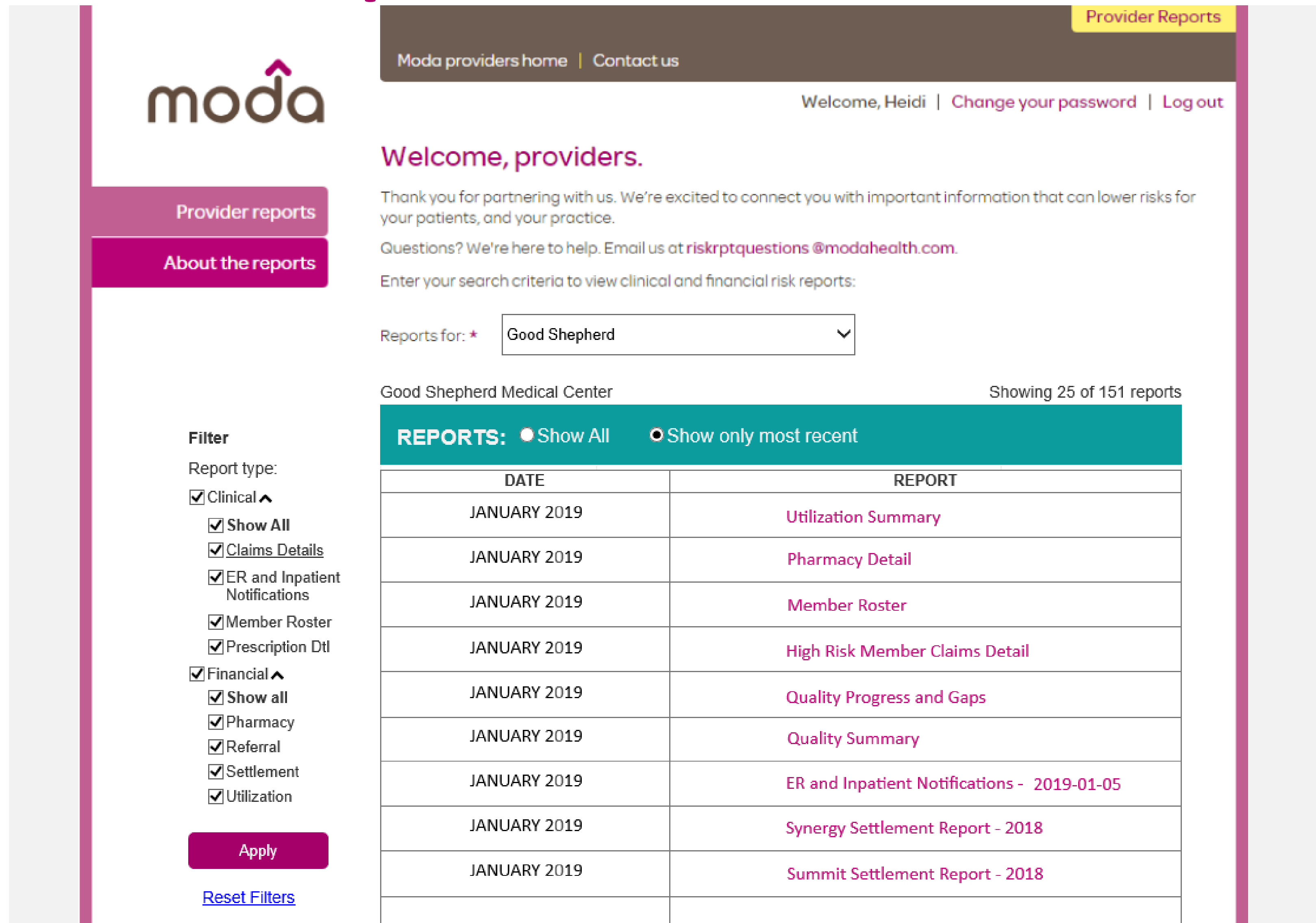
Primary Care focused support of care delivery with shared governance models.

Moda’s data sharing initiatives

Goal: bidirectional & actionable data exchange with providers

	Clinical	Quality metrics & provider reporting portal
	Financial	Claims data & risk model performance
	Care management	EDIE (emergency department information exchange) & preManage

Provider reports web access



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New provider reporting capabilities

Tactical information	• New care gap and quality reports. • Streamlined member rosters. • Priority action items.
Strategic guidance	• Referral pattern analysis. • Comparative cost and quality of facilities.
Collaboration and communication	• Increased resources for provider engagement. • New and improved provider reports portal.
Measurement and tracking	• Assessment of utilization changes and action items. • Web portal utilization tracking.

PEBB & LAN APM framework

Category 1 – Fee for Service with no link to Quality and Value

- Fee for Service Only

Category 2 – Fee for Service with Link to Quality and Value

- **2A** *Foundational Payment for infrastructure and Operations (e.g. Care Coordination, HIT)*
- **2B** Pay for Reporting
- **2C** *Pay for Performance (Quality Bonus)*

Category 3 – Alternative Payment Model built on Fee for Service

- **3A** *Shared savings (upside risk only)*
- **3B** *Shared savings (episode based payments and upside/downside risk*
- **3N** Risk Based Payments – not linked to quality

Category 4 – Population Based Payments

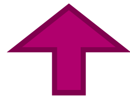
- **4A** Condition Specific Population based payments (pmpm, payments for specialty services, such as oncology or mental health, CPC+ Track 2 Model
- **4B** Comprehensive Population-Based Payments (Global Budget or full percent of premium payments)
- **4C** Integrated Finance and Delivery Systems (Global Budgets or full percent of premium payments)
- **4N** Capitated Payments not linked to quality

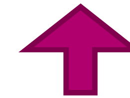
→ *Indicates contracting elements used by Moda* (arrows mark 2A, 2B, 2C, 3A, 3B, 4A)

Advanced payment models

Total cost of care incentive

- Providers receive bonus for holding costs below 3.4%.
- Minimum savings threshold for payment.
- Budgets risk-adjusted and blended with regional data where appropriate.





Primary care infrastructure

- Capitation payments for primary care infrastructure.
- Risk-adjustment to provide more funding for clinics with higher risk.
- Higher payments for clinics with higher capabilities.

Quality bonuses

- Incentives for clinical quality measures.
- Data submission incentive for increased EHR data integration.
- Measurements tailored to clinic populations (i.e. pediatrics).

Capitation

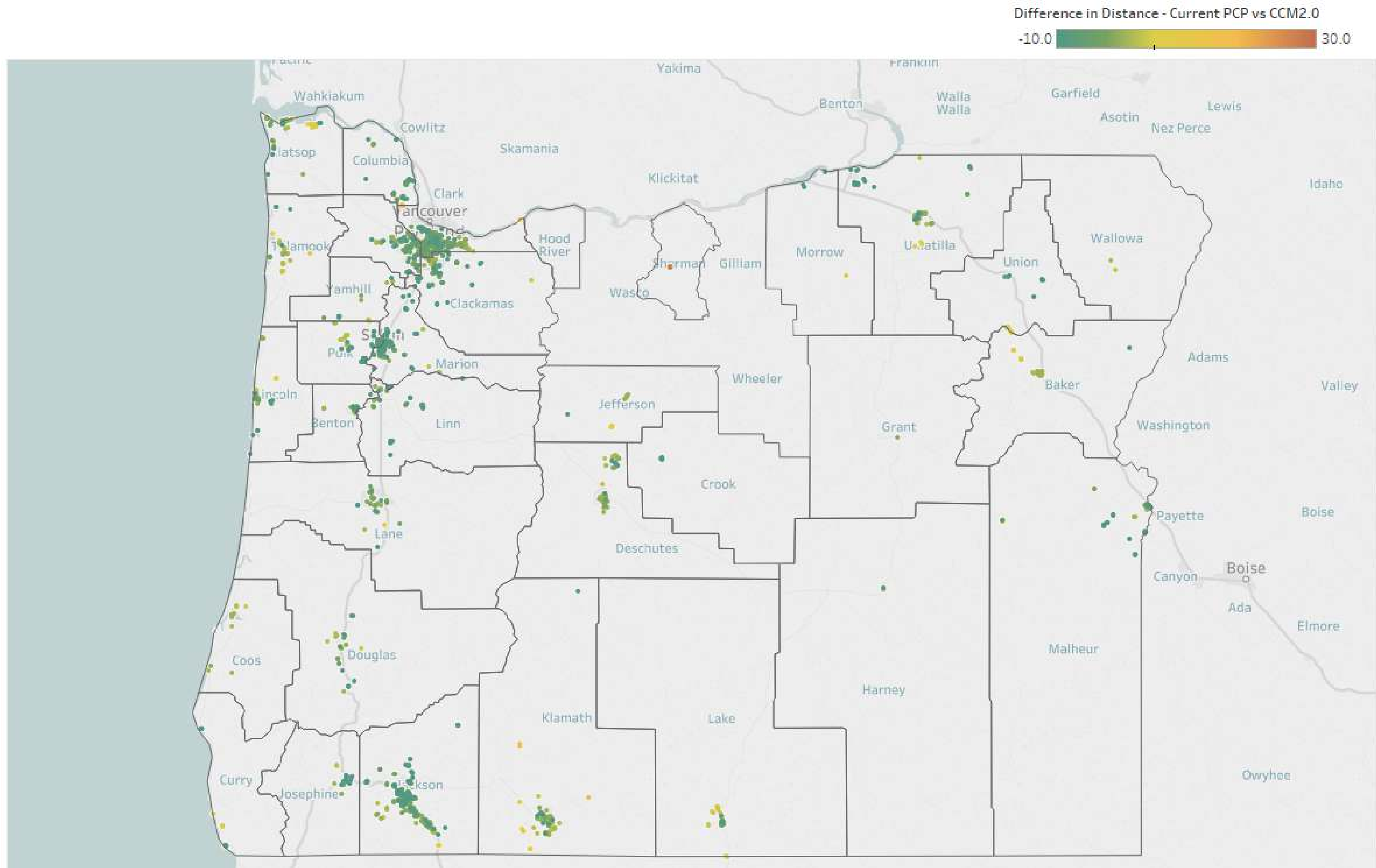
- Convert primary care fee-for-service to capitation.
- Allow clinics more flexibility to meet patient needs.
- Rates based on historical risk.

Member impact

PEBB CCM 2.0: Access to coordinated care providers

Not utilizing any PCP = no change	CCM 2.0 PCP – Already seeing a CCM 2.0 PCP = no change	CCM 2.0 PCP – Closer than current PCP	CCM 2.0 PCP – Up to 5 miles farther than current PCP	CCM 2.0 PCP – more than 5 miles farther than current PCP
1,072 *10%*	8,173 *75%*	1,069 *10%*	452 *4%*	73 *<1%*

Difference in distance to closest CCM 2.0 "Coordinated Care Provider" for disrupted OR PEBB Members



Pharmacy considerations

#1: Medical benefit cost share

- Medical benefit drugs: infusions, injections, implants, etc. that are provider-administered
  - Current benefit: $5 copay
- Specialty pharmacy benefit drugs: orals, self-injections, patches, etc. that are self-administered
  - Current benefit: $100 copay
- Financial incentive to utilize medical benefit drugs
  - Almost always more expensive than similar pharmacy benefit drugs
- Recommendation: increase medical benefit drug cost share to eliminate incentive to utilize more expensive medications
  - 20% co-insurance aligns with other medical services (recommended)
  - $100 copay aligns with specialty drug copay (alternative)

Medical benefit cost share - impact

- Member impact:
  - Continue same provider-administered drug(s)
  - Coverage under the medical benefit continues
  - Increased cost share to 20%
    - Effective cost share much lower due to out-of-pocket maximums
  - 60-day notice of change
- Members utilizing self-administered medications covered under the medical benefit are not impacted
- Plan savings: -0.30% claims impact

#2: Pharmacy benefit optimization

- Drugs billed through the medical benefit are reimbursed using a variety of methodologies
- Significant "markup" occurs from hospitals
  - Example: nusinersen (Spinraza)
    - AWP = $150,000 per vial
    - Hospital A billed charges = $360,000 per vial
- Drugs billed through the pharmacy benefit have fixed methodologies without an ability to "markup"
- Recommendation: shift reimbursement of select infused medications to the pharmacy benefit
  - High cost drugs
  - Significant variability in reimbursement between benefits
  - Relatively low utilization

Pharmacy benefit optimization - examples

Drug	Indication	Medical $ per dose	Rx $	Annual difference per member*
Ocrelizumab	Multiple sclerosis	$34,500	$16,700	$35,600-53,500
Omalizumab	• Allergic asthma • Chronic itching	$2,000	$1,100	$5,600-56,000

**Actual difference depends on dose and frequency of administration*

- Other medications included in the program
- Medication list will be updated over time

Pharmacy benefit optimization - impact

- Member impact:
  - Same drug, provider, and infusion location
  - Drug now billed to the member's pharmacy benefit
  - Financially neutral or cost-saving, if first change accepted
    - $95 cost share increase, if first change not accepted
    - May be offset my manufacturer assistance
  - 60-day advance notice of change
- Members utilizing self-administered medications covered under the medical benefit are <u>not</u> impacted
- Medication supplied by specialty pharmacy
  - Bills the pharmacy benefit
  - Supplies the drug to the hospital, provider office, or infusion site
- Plan savings: -0.28% claims impact

#3: Non-preferred cost share tier

- Current formulary tiers:
  - Value: no cost share
  - Generic: $10 copay
  - Brand: $30 copay
- Members with non-formulary exceptions currently have the same co-payment levels as those using formulary medications
- Recommendation:
  - Ensure members utilizing formulary medications receive the best value
  - Non-formulary generics covered at $30 copay level, when approved
  - Non-formulary brands covered at a new $50 non-preferred brand copay level, when approved
- Plan savings: -0.30% claims impact

Thank you