Alternative Payment Methodologies

Sean Jessup, Director Medicaid Programs

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Principles for developing our first year APM

- Relationships are key
- Must have provider buy in and engagement
- Keep it simple
- Use existing payment methodologies as a starting point
- Provide data to show performance

EOCCO APM for 2014

- Risk Sharing Model
  - Agreement between an insurance company and providers to share risk and to put proper incentives in place for providers and patients to benefit
- Model was built for a win-win situation
- Models include the proper financial vehicles that enable health care transformation
- Goal is to share surpluses back with providers and the LCAC’s

2014 risk model

- Risk period: **April 2014 through December 2014.**
- Participation was voluntary
- One Fund – All participants will share
- Fund consists of certain portions of our CCO budget
- Individual member stoploss was established
- Participants have a minimal withhold
  - The withhold is the maximum risk a provider would assume
- Quality bonuses available

What is next

- Monitor performance of 2014 model and share data with participating providers
- Modify risk model for 2015 to become more sophisticated and include other providers
- Modify the model as needed based on CMS or State policy changes
  - RHRI initiative
  - Any impacts on the CCO global budget
- Invest in technology

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