

ACCOUNTABLE CARE ORGANIZATIONS: POLICY ENVIRONMENT, COMPONENTS, AND KEY ISSUES FOR COMMUNITY MENTAL HEALTH PROGRAMS

Presentation to MACMHP Board Members

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Policy Environment

- \$5+ billion state budget shortfall.
- Major cuts in government program eligibility and benefits and mental health funding.
- New models emerging, including HCHs and ACOs, involve providers taking greater financial risk and accountability for controlling costs.

Policy Environment, cont.

- Commercial health plans and large health systems are already implementing these new models in the private market.
- New models are designed to serve commercially insured employee groups – don't address the unique circumstances of low-income, disadvantaged and disabled patient populations.
- Seven of the 10 largest MN health care companies joined forces to prepare a budget-cutting proposal for the legislature that includes establishing ACOs.

Risks to MACMHP Members

- Major cuts in public program eligibility, benefits, payments rates, and mental health funding.
- Regulations and payment methods for new models will favor large health care companies.
- In the absence of effective lobbying to allow CMHCs to establish, partner with or participate successfully in ACOs, CMHCs are at risk of a declining ability to serve their patients and communities under a reformed health care system.

Opportunities for MACMHP

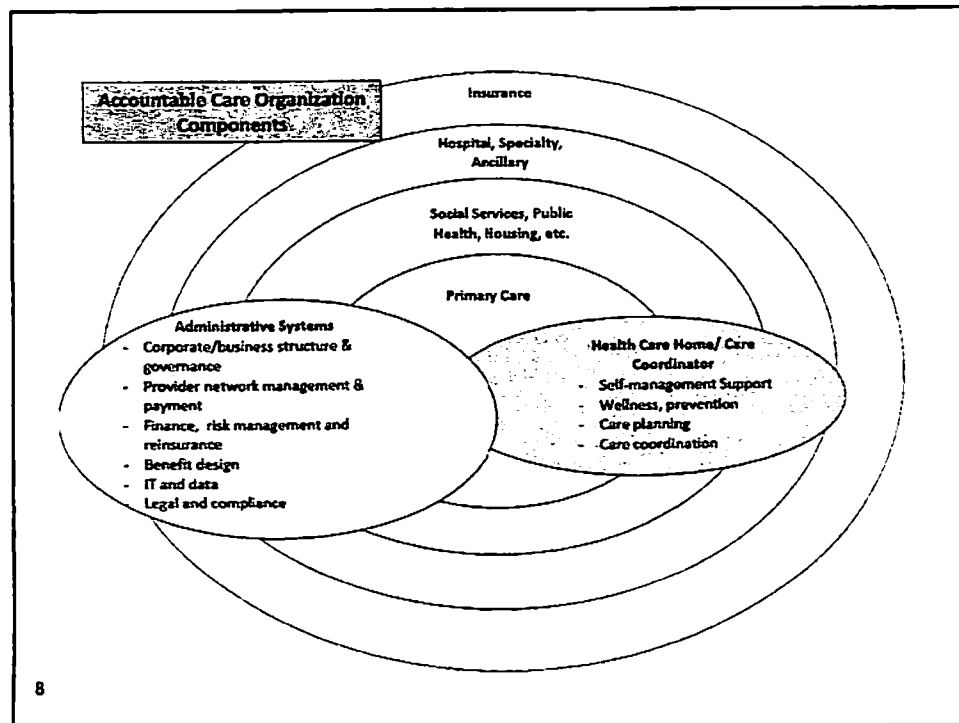
- Republican health care leaders have asked for advice on developing alternative models from the safety net community.
- They want to allow flexibility for multiple models to emerge.
- They favor competition and innovation, don't want further market consolidation of the big health plans and health systems.
- Dayton administration has been welcoming of proposals from safety net organizations.
- An alliance of rural, small, independent and safety net organizations, including MACMHP, formed to develop and propose alternative models and join forces to lobby

MACMHP Project Goals

- Develop a cohesive MACMHP policy strategy
- Engage in proactive legislative and administrative advocacy in 2011
- Identify an array of business/contracting models that illustrate ways in which CMHCs could establish or partner with HCHs and/or ACOs
- Provide information, advice and legal/technical services to MACMHP members
- Educate policymakers and stakeholders
- Open/build relationships with potential partners for CMHCs in implementing ACOs and HCHs

Work of the MACMHP ACO Steering Committee thus far...

- ❑ Identified successful ACO components
- ❑ Examined models of possible partnerships and contracts between MH clinics and other organizations
- ❑ Examined risk- and gain-sharing and provider payment options for ACO partners and providers
- ❑ Reviewed health reform demonstration language
- ❑ Reviewed state health care home requirements
- ❑ Developed a conceptual policy framework
- ❑ Discussed the value of CMHCs



ACO Components: (Build, Buy or Partner)

1. Organizational Structure and Business Relationships
2. Provider Network, Provider Payment Methods, Risk- and Gain-sharing
3. Risk Assessment and Mitigation
4. Benefit Design
5. Patient Choice and Assignment and Patient Experience
6. Health Care Home/care coordination
7. Utilization Review and Management
8. IT, Measurement, Reporting
9. Claims Processing
10. Legal Issues, Compliance
11. Leadership and Culture

Payment Reform Enabling Legislation

- ☐ Accountable Care Organization Demonstration Projects
 - ☐ Minnesota Statutes, section 256B.0755 (2010 Laws, Chapter 1, Article 16, section 19)
 - ☐ DHS required to establish demonstration project to test alternative and innovative health care delivery systems, including ACOs that provide services to a specified patient population for an agreed upon total cost of care or risk-gain sharing payment arrangement.
- ☐ Integrated Health Care Delivery Networks
 - ☐ Minnesota Statutes, section 256B.0755 (2010 Laws, Chapter 1, Article 16, section 20)
 - ☐ Pilot project in Hennepin and Ramsey counties to test alternative and innovative and integrated health care delivery networks for MA adults without children who reside in Hennepin or Ramsey Counties. Caps pilot project enrollment at 7,000 enrollees for Hennepin County and 3,500 enrollees for Ramsey County.

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Options for CMHCs to Participate in Payment Reform

Provider-Controlled Payment Reform Project

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- A CMHC could form an alliance with a primary care provider (or multiple primary care providers) to establish an ACO or payment reform demonstration project that would serve their patients.
- The alliance takes accountability for quality of care, the health of patients, patient satisfaction and controlling the total cost of care.
- The alliance establishes contracts or arrangements with hospital and specialty care providers (that are not in the alliance) in order to provide patients with access to all services and providers a patient will need.
- The alliance would need to have some way of assuring that total cost of care benchmarks will be achieved.

Health Care Home

- A CMHC could serve as a health care home for a population and receive the care coordination fee from DHS for fee-for-service programs or from a health plan for people enrolled in managed care plans.
- This contract could also include performance incentives or risk- or gain-sharing arrangements tied to reducing total cost of care or risk- and gain-sharing arrangements.

Provider

- A CMHC provider could seek to have a contract to be paid for health care services provided to a person enrolled in an ACO or other payment reform project, with no role in governance and no risk- or gain-sharing tied to total cost of care.
- Or, the CMHC provider could enter into a contract with the ACO or demonstration project that includes risk- or gain-sharing or other incentives.

Other models being considered

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- **Primary Care-Hospital-Specialty Project**
 - ▣ Primary care providers could partner with one or more hospitals and specialty providers to establish an ACO or payment reform project, with most services being provided through participating providers.
- **Partner with a Health Plan**
 - ▣ A provider or group of providers could partner with a health plan to establish a payment reform project under which the payment methods, financial risk, and accountability would be negotiated between the provider(s) and the health plan.
- **Regional, Community or Population-Based Project**
 - ▣ A project using one or more of the methods above could be established to serve people in a particular geographic area; to serve a certain types of patients such as people with a physical or developmental disability or mental illness; or to serve primarily low-income populations or particular racial or ethnic communities.

Key Issues for CMHCs

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- **Financial Risk**
- **The Role of Counties in Payment Reform Projects**
- **Essential Community Provider and Patient Choice**
- **Allocation of Resources between Primary Care, Hospital and Specialty Care**
- **Managed Care Regulations and the Role of Health Plans in Payment Reform Projects**
- **Subsidies and Enhanced Payments**
- **Health Equity and Engagement of Racial and Ethnic Communities**
- **Socioeconomic Risk-Adjustment**
- **Covered Benefits**

Payment Reform Proposals

- Allow mental health providers and CHMCs to serve as health care homes.
- Require counties and health care homes to coordinate health care and non health care social services as needed.
- Allow patients to choose the health care home of their choice.
- Increase rates for primary care providers and health care homes and reduce rates for other health professionals and hospitals.
- Establish grant program for CMHCs similar to the existing program for FQHCs.
- Establish health information exchange system for use by small, independent, rural and safety net providers.

Next Steps

- Communicate the value of MACMHP member services to potential partners.
- Meet with legislators to discuss payment reform proposals.
- Meet with DHS to provide input on a variety of models and partnerships for how they could establish or participate in an ACO.
- Explore possibility of Urban Safety Net ACO.
- Continue to work with SNC and ACO Alliance on coordinated advocacy messages.

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QUESTIONS

