State of Rhode Island Office of the Health Insurance Commissioner
Alternative Payment Methodology Committee
Meeting Minutes
March 5, 2015, 8:00 A.M. to 11:00 A.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

Attendance

Members

Erik Helms, Kevin Callahan, Laura Nikopoulous (for Todd Whitecross), Patrick Tigue, Liz Almanzor (for Mike Souza), Dan Moynihan, Domenic Delmonico, Chris Dooley, Tom Breen, Al Kurose, Noah Benedict, Chuck Jones, Sam Salganik, Marti Rosenberg (for Pat McGuigan), Bill Almon Jr., Al Charbonneau, Alok Gupta, Pano Yeracaris

Not in Attendance

Todd Whitecross, Mike Souza, Pat McGuigan

1. Welcome & Introductions

Dr. Hittner introduced the first Alternative Payment Methodology (APM) convening by welcoming the Committee members.

2. Background and Overview of Committee Charge

Cory King provided an overview of the meeting. The Affordability Standards require each health insurer to submit a schedule to annually increase the use of APMs and to move away from fee-for-service (FFS) payments. The APM Committee is charged with annually developing an APM target and plan to achieve this target. Committee members commented on a need to coordinate this work with other statewide efforts, including the "Reinvent Medicaid" workgroup. Additionally, Domenic Delmonico stated that there would also be a need to design benefit plans that support the use of APMs, including requiring the selection of a primary care providers. The topic of benefit design came up several times throughout the course of the presentation and it was suggested that this could be a topic for the fall convening.

3. Presentation / Discussion

Please refer to APM Committee Presentation for greater detail.

3.1 Current Payer Methodologies

Cory King presented the current breakdown of payment methodologies with data gathered from the insurers. The data represent an insurer's book of business, regardless of enrollee residence or where care is delivered. Committee members discussed the implications of the fact that FFS payments made up most of the payments made under population-based contracts. There was also discussion of the gap between the data for self-insured versus fully-insured populations – carriers commented that it can be hard to get a self-insured group to agree to a population based-contract and that some of these groups opt-out. Some of these employers see added expenses but no resulting reduction in costs – they also may not understand the complicated calculations associated with this type of contracting.

3.2 Definition of Alternative Payment Methodologies

Committee members discussed a variety of topics relating to the proposed definition of APMs:

- The use of the word "predominant" in the definition was too strong since no current payment approaches would qualify;
- Add "increase access" to the goals of APM payments
- Expand the word "budget" to explicitly state a model that compares performance against trend; and
- Include "engagement" with "improve patient experience".

Committee members generally agreed that pay for performance (P4P) and other such incentive payments should be included in the short term but then these would be eliminated in the future with a glide path.

3.3 Possible Facilitators of APM Adoption

Margaret Houy of Bailit Health Purchasing presented on possible facilitators of APM adoption. The topics of prospective attribution and PCP selection came up during this part of the meeting. Providers were concerned that absent those two activities, they may not have the tools or information to manage risk appropriately. PCP selection is especially challenging in RI because the majority of the market is enrolled in PPO products.

There was some discussion about measure alignment but committee members were reminded that the Care Transformation Committee would be addressing this issue. There was also discussion around different models for care, including Harvard Pilgrim's "exoskeleton" approach and Blue Cross Blue Shield of Maryland's approach.

Additionally, some committee members expressed some interest in having an independent third party handle reporting and infrastructure support.

There were concerns expressed about the efficacy of freezing fee schedules including potentially driving lower-cost independent providers to higher-cost systems and driving providers to border states with higher fee schedules.

3.4 APM Targets for 2016

Cory King led the discussion around a 2016 APM target. Some committee members expressed an interest in delaying the setting of a target to 2017 because they were concerned that a target effective for 2016 would not provide sufficient time to implement changes to provider contracting. Cory King stated that OHIC will set a 2016 target and that this work cannot be delayed. No consensus was gained on the proposed 2016 target of 40%

Committee members expressed an interest in setting two related targets. An overall target, which would include fee for service payments made under a population-based contract and a sub-target for strictly non-fee for service payments.

Committee members also expressed interest in learning about the work being done at the Care Transformation Committee.

4. Next Steps

The next meeting will take place on April 2, 2015 from 1pm to 4pm in the same location. Draft recommendations based on feedback from the March 5th meeting will be presented at the April 2nd meeting.

5. Public Comment

There was no public comment.