

# APM 2

## Investments in Primary Care

SEPT 2021



**COLORADO**  
Department of Health Care  
Policy & Financing

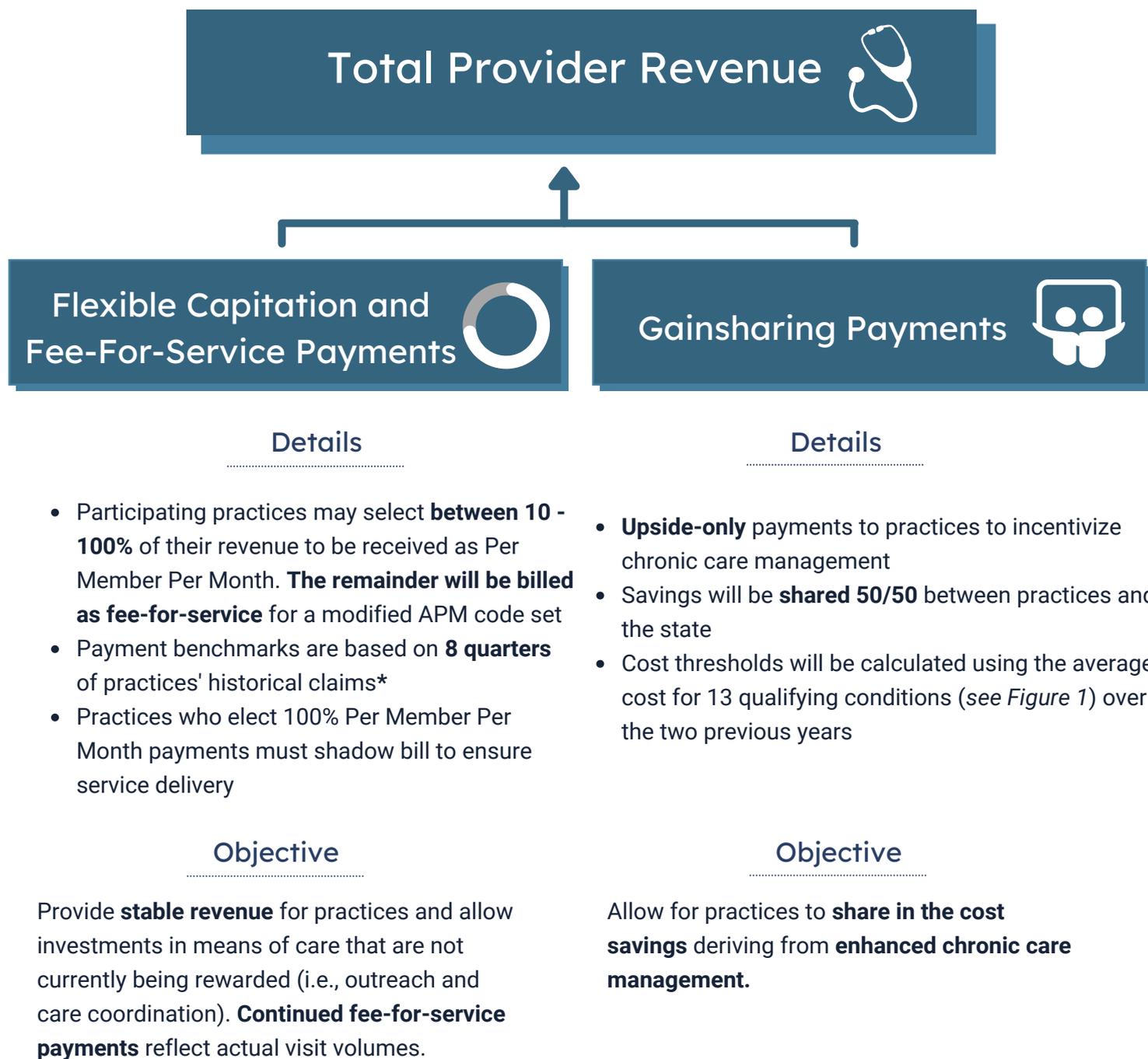
Improving health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.  
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# Value-Based Payments for Primary Care and Chronic Care Management

## Model Design

This model is designed to **improve member outcomes** and **reduce health disparities** by creating stable investments in primary care. This model was designed with input from **Health First Colorado members, advocates, and providers.**



\*Risk adjustment is unnecessary because rates are set using provider-specific data, and therefore account for variation of risk among providers. A statewide average will be used if a provider is not currently a primary care medical provider (PCMP).



Figure 1: List of Qualifying Conditions

## Qualifying Chronic Conditions

These conditions were determined to be **major cost drivers** for the state while being amenable to primary care intervention. Members must have **one or more** of the following conditions to be evaluated under the gainsharing arrangement:

- Asthma
- Coronary Artery Disease
- Hypertension
- Gastro-Esophageal Reflux Disease (GERD)
- Chronic Obstructive Pulmonary Disease (COPD)
- Crohn's Disease
- Ulcerative Colitis
- Lower Back Pain
- Osteoarthritis
- Diabetes
- Trauma & Stressors Disorders
- Heart Failure
- Arrhythmia / Heart Block

## Attribution Methodology

All full-benefit Health First Colorado beneficiaries who are enrolled in the Accountable Care Collaborative and are attributed to a participating Primary Care Medical Provider (PCMP)\*, **except the following:**

- Members who are geographically attributed to a participating provider
- Members who are dually enrolled in Medicare and Medicaid
- Members enrolled in the Program for All-Inclusive Care for the Elderly (PACE)

Every month, the Department will generate non-Federally Qualified Health Center PCMP attribution to be made available to the participating PCMPs. Per Member Per Month payments to the participating practices will be adjusted based on attribution numbers.

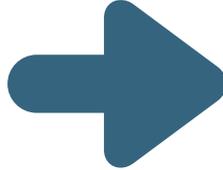
\* Primary Care Medical Providers are identified as a billing entity that participates within the Accountable Care Collaborative program in Colorado.



# Reconciliation

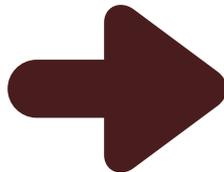
To ensure that quality care is maintained, the Department will evaluate quality metrics for each participating PCMP. If a participating practice:

meets or exceeds the  
quality threshold



The participating PCMP **will be eligible** for gainsharing payments and an enhanced fee-for-service rate

falls below the  
quality threshold



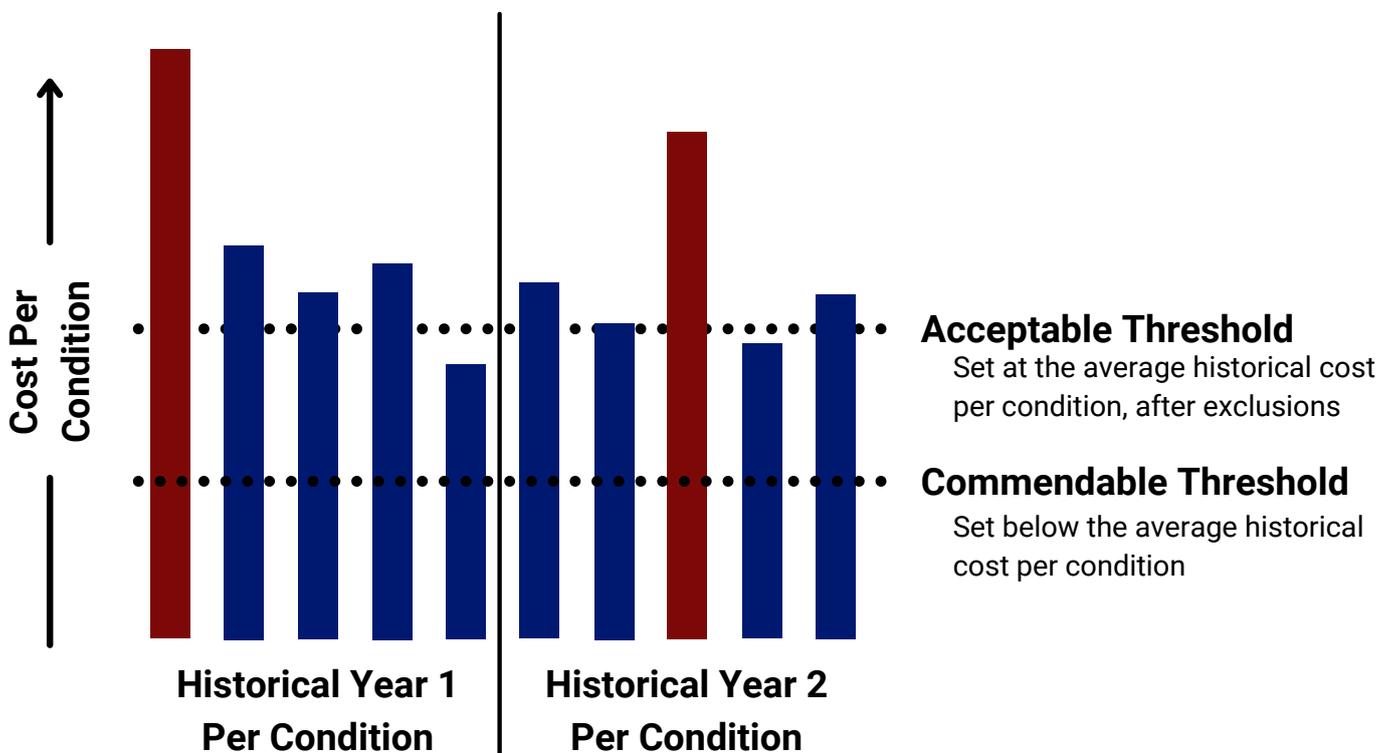
The participating PCMP **will be ineligible** for gainsharing payments for that program year

**Note:** Data used for reconciliation will be actual member attribution data and claims data for services within the modified APM code set for attributed members for the program year being reconciled.



# Gainsharing Threshold Methodology

Thresholds are the prospective targets for the incentive payments. The Department's actuary will calculate each PCMP's threshold by using two years' worth of claims to determine historical episode performance, or a statewide average if that is not available. Each year the Department will add the next fiscal year data and will calculate the thresholds based on the previous two years of data. Outliers above the 95th percentile will be removed from the threshold calculations.



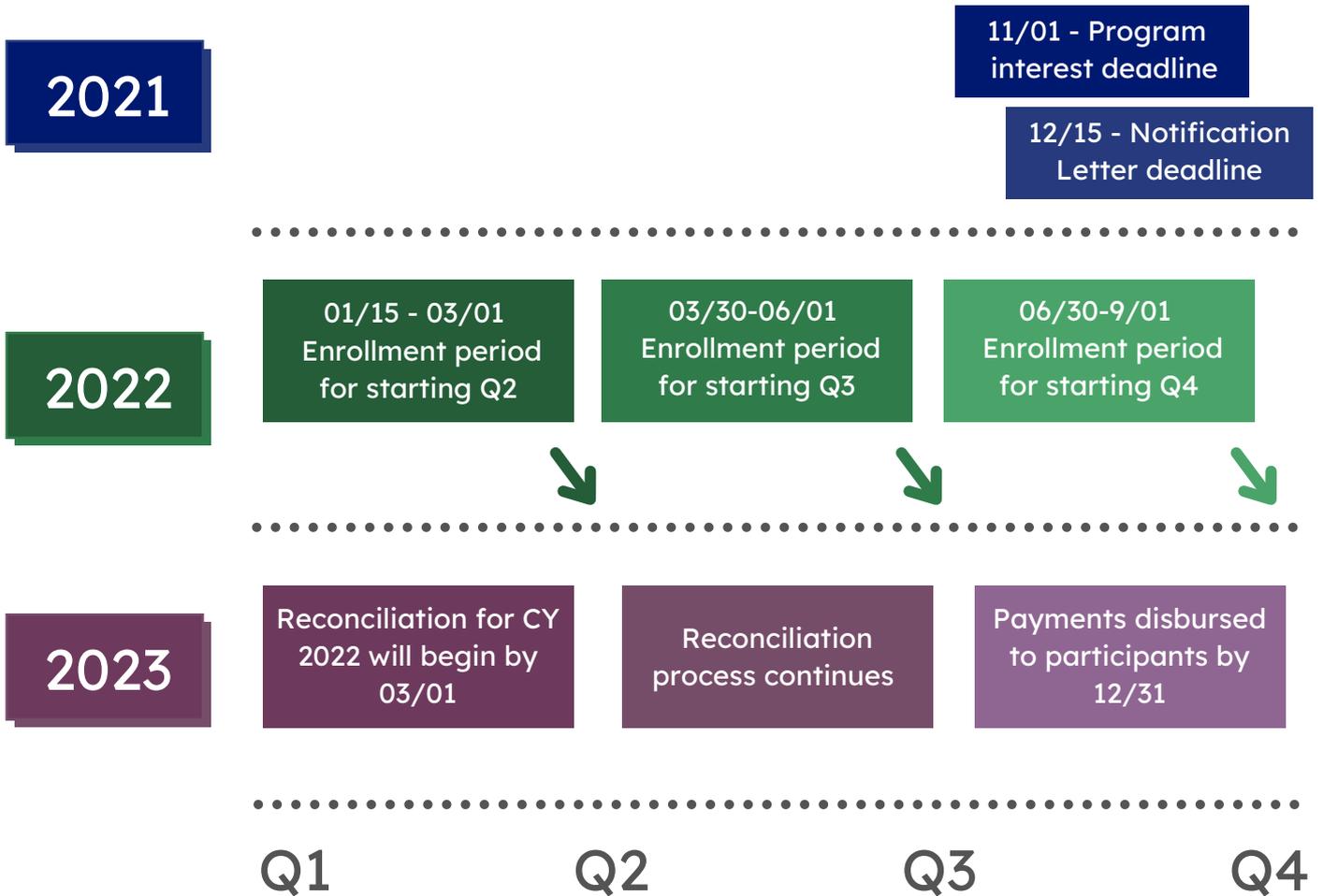
The Acceptable Threshold is set at the average historical cost-per-episode with a trend applied by the actuary after all calculation exclusions.

The Commendable Threshold is set below the historical average cost-per-episode and has a minimum savings rate built into it. The Department included a minimum savings rate to ensure PCMPs are performing clinical interventions to reduce the condition cost of care rather than earning savings based on chance.



# Enrollment and Reconciliation Timeline

The following timeline\* provides guidance to practices for enrollment. Reconciliation will begin on 03/01 each year starting in 2023.



Practices may notify the Department that they wish to be unenrolled from the program at any time. This will occur as quickly as practical after that notification.

\*Please note that these dates are subject to change as a result of CMS decision-making as well as actuarial determinations that are outside the Department's control. Any changes will be communicated to interested practices in a timely manner.

# Frequently Asked Questions

## As a practice, how do I enroll?

A practice that elects to participate will receive a Notification Letter from the Department of Health Care Policy & Financing that states the specific qualifications for that practice's participation. The Notification Letter contains the following:

- **Discount Percentage** - The percentage reduction in reimbursement to the Health First Colorado fee schedule, proposed by the participating PCMP
- **Gainsharing Threshold** - Estimated costs of delivering chronic care management, calculated using historical data
- **Partial PMPM Fee** - A fixed payment to practices based on historical data from their qualifying members
- **Reduced Fee Schedule Percentage** - Practice-selected reduction that is converted to PMPM payments (10-100%)
- **Quality Threshold targets** - Minimum quality score that must be achieved that allows the participating PCMP to earn gainsharing payments, based on historical claims data

### Enrollment Steps:

1. Interested practices submit form (to be sent out at later date), expressing their intent to participate in the program
2. Notification Letter is generated by the Department and sent to the practice
3. Practice enrolls by formally accepting the provider-specific terms of the APM 2 found in the Notification Letter
  - a. If a practice disputes those terms, they are invited to meet with HCPF staff to review the methodology and reconcile any issues

## Is this program mandatory for all PCMPs?

No, this program is **voluntary** for all practices. The program has been designed to provide practices with stable, reliable payments.



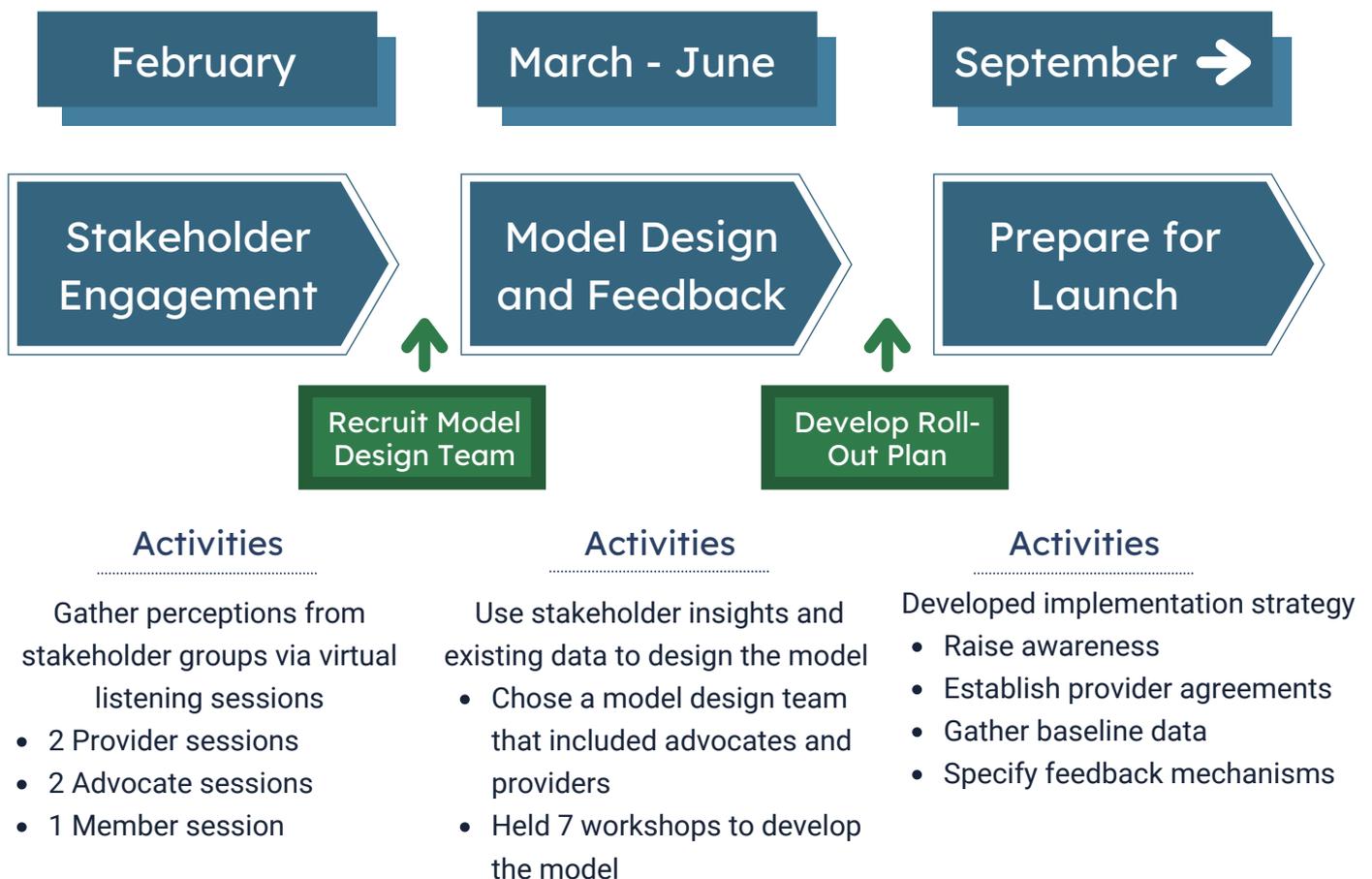
# Are all PCMPs eligible to participate?

All PCMPs who currently qualify for participation under the APM 1 program qualify for participation in APM 2.

Additionally, practices must continuously meet the quality thresholds as laid out in their Notification Letter (see "Reconciliation" above). These measures are designed to ensure that members continue to receive effective and necessary care. These quality thresholds are determined by the same metrics and through the same process that exists for APM 1.

## How was this program developed?

The Department created this program using an iterative stakeholder feedback process to ensure an inclusive model.



\*For more information on the Accountable Care Collaborative, visit: <https://hcpf.colorado.gov/acphase2>

