



**Alternative Payment Model 2 (APM 2)
Design Review Team (DRT) Meeting 7
Meeting Minutes**

Date: May 22nd, 2024

Time: 11:00 a.m. to 1:00 p.m. (MT)

Session Topic: APM 2 Quality Target Setting and Reward Structure

Meeting Agenda

1. Welcome and Introductions
2. Meeting 5 and 6 Recap
3. Quality Target Setting & Reward Structure
4. Looking Ahead

1. Welcome and Introductions

Taylor Kelley called the meeting to order.

DRT participants in attendance were representatives of Members, providers, and other stakeholders from across the Health First Colorado landscape. Other attendees included Araceli Santistevan (HCPF), Cordell Cossairt (HCPF), Dawson LaRance (HCPF), Ke Zhang (HCPF), Nicole Nyberg (HCPF), Zoe Pincus (HCPF), Gerardo Silva-Padron (Stakeholder Engagement Team), Suman Mathur (Stakeholder Engagement Team), Taylor Kelley (Stakeholder Engagement Team), Samantha Block (Support Team) Andy Wilson (Support Team), Chelsea Finfer (Support Team), Janet Milliman (Support Team) and Drew Lane (Support Team).

2. Meeting 5 and 6 Recap

Taylor Kelley presented DRT Meeting 5 Meeting Minutes for approval, and DRT participants approved. Taylor recapped the discussion about quality target setting shared themes from the last meetings.

3. Quality Target Setting and Reward Structure

Janet Milliman shared the overall concept of rewarding between commendable and minimum acceptable thresholds. Janet reiterated that full payment is rewarded for performance at the commendable threshold and above. Janet Milliman shared two potential options for scaling reward for performance between the minimum acceptable and commendable thresholds: Tiering and Sliding Scale.

Janet explained the first reward scaling option of tiering and Drew Lane walked through an example of performance calculation for tiering.

Janet discussed the potential benefits and drawbacks of the tiering reward option model. Janet highlighted that simplicity and motivation as potential benefits while inflexibility and rounding can be potential drawbacks.





- Reactions
 - Participants suggested that adjusting the tier proportions can be an incentive for providers to improve knowing there is an opportunity to receive better reimbursement.
 - Participants expressed that including additional tiers could prevent a large discrepancy in payment for providers and suggested making tier 1 smaller and tier 2 larger.
 - Participants shared that other factors such as serving special populations and geographical location (urban or rural) should be considered in rewarding performance.
 - A few participants suggested a grace period for providers experiencing internal challenges to prevent backsliding into lower tiers.

Janet Milliman then introduced the sliding scale methodology for scaling reward. Janet discussed the potential benefits and drawbacks of the sliding scale reward option. Janet highlighted flexibility and encouragement as potential benefits to the sliding scale model. Janet also mentioned some potential drawbacks for the model such as complexity, uncertainty, and potential backsliding.

- Reactions
 - Participants suggested quarterly timeframes so practices can focus on what they need to improve on more frequently.
 - Participants expressed that the sliding scale option can foster healthy competition and engagement within themselves which may improve performance.
 - Some participants expressed that the sliding scale option may seem more attainable and achievable which can motivate them to improve and gain rewards.
 - One participant expressed that the sliding scale option places more empowerment into the hands of providers, specifying that the return of investment (ROI) might be greater since providers are aware that moving a few percentage points may be worth the effort for providers.
 - Participants also suggested a grace period with the sliding scale option.
 - Participants shared that the sliding scale option may offer the provider more flexibility in attending individual needs.

Drew Lane walked through the payment variance for Tiering vs. Sliding Scale options. Drew explained the sliding scale reward and how it differs from the tiering points reward option.

Taylor Kelley opened a discussion on Tiering and Sliding Scale methodologies through Menti and participants were asked to note their preference for tiering or sliding scale.





- Reactions
 - Participants preferred the sliding scale option (89%) over the tiering option (11%) through Menti.
 - One participant expressed that the tiering option has resulted in maladaptive behavior in other states and practices and strongly discouraged the approach.
 - Participants expressed that providers might be inclined to improve performance because of immediate reward impact that comes with sliding scale option while the tiering option might discourage a provider to improve by a larger proportion to see immediate rewards.

Janet Milliman opened the discussion with questions for the group, asking if thresholds should account for national benchmarks or relative PCMP performance.

- Reactions
 - Participants suggested national benchmarks should not have much bearing.
 - Participants raised concerns about Colorado being significantly below national Medicaid performance and that setting standards in comparison to national benchmarks might be too high.
 - One participant suggested that it may be important with a measure like this to award points based on improvement from current performance rather than in relation to a benchmark.
 - One participant expressed the importance of ensuring that practices can secure the necessary funds to be sustainable and meet the national average.

Janet Milliman asked the group if thresholds should be set with consideration for necessary improvements in coding and performance.

- Reactions
 - Participants shared providing training and educational resources to PCMPs to code accurately would be beneficial to support providers meeting measures to be eligible.
 - Participants emphasized a lack of transparency in the data and scores given can be an additional burden on providers and create more distrust.

Janet Milliman then asked the group what percent of eligible providers should fall above the minimum acceptable threshold, if all measures should have the same number of points available and if all measures should have different commendable and minimum acceptable thresholds.

- Reactions
 - One participant shared that it feels arbitrary, and that any differentiation should be on differences that are clinically meaningful.





- One participant asked if there are modeling opportunities that showcase how PCMP types are performing, and whether HCPF is seeing larger health systems at the top of that bell curve while rural providers and small independent providers performing near the bottom.
- One participant expressed that the focus should be on securing general fund allocation to support provider best practices for improvement, rather than relying on fluctuating incentives and incremental improvements.
- One participant mentioned that significant differences between national measures and Colorado is likely due to differences in data, rather than differences in provider performance. Participants suggested that the data should accurately reflect performance before allocating resources.

4. Looking Ahead

Gerardo Silva-Padron shared that the next DRT session will be Wednesday, June 12 from 11:00 a.m. to 1:00 p.m. (MT).

