COLORADO
Department of Health Care Policy & Financing

APM 2 Program Design Review Team

Meeting 8

June 12, 2024

Agenda

1. Welcome & Introductions
2. Meeting 7 Recap
3. Prospective Payment and Reconciliation
4. Incentive Payments
5. Looking Ahead

1. Welcome and Introductions

Meet the APM 2 Team

Araceli Santistevan
APM 2 Lead

Dawson Larance
APM 2 Co-Lead

Taylor Kelley
Design Review Team
Lead Facilitator

Suman Mathur
Design Review Team
Supporting Facilitator

Gerardo Silva-Padron
Design Review Team
Supporting Facilitator

Andy Wilson
APM 2 Support Team

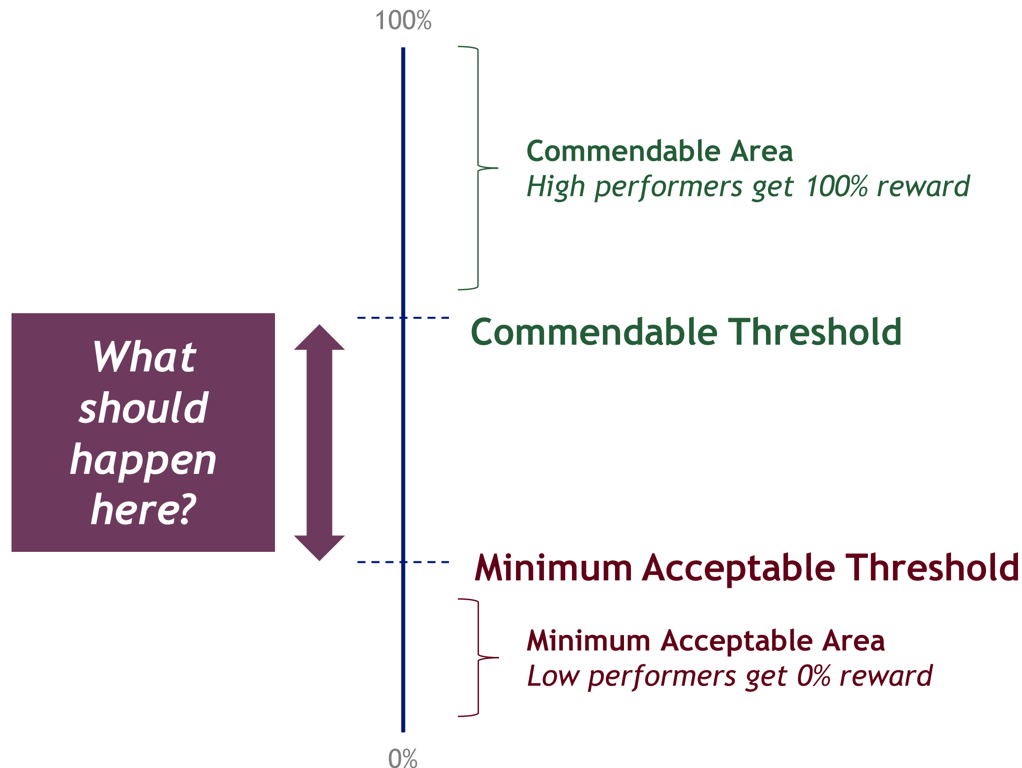
Chelsea Finfer
APM 2 Support Team

Drew Lane
APM 2 Support Team

Janet Milliman
APM 2 Support Team

2. Meeting 7 Recap

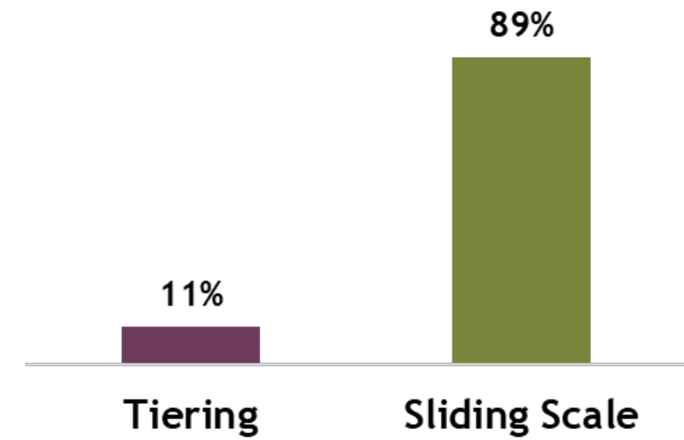
Reward Between Commendable and Acceptable Thresholds



- We presented **two potential options** on how to scale rewards between the minimum and commendable threshold:
  - **Option 1: Tiering**
  - **Option 2: Sliding Scale**

Feedback from the DRT

- Benefits to utilizing a sliding scale method:
  - No cliff effect if performance backslides
  - More opportunity for incentives with small improvements in performance
- Data concerns due to inconsistent reporting, coding, and reconciliation
  - Historical data does not reflect operational experience
- Consideration of special populations (rural providers, complex needs, etc.)



Key Topics for the Design Review Team

✓ 1. **Goals and Objectives:** What are we trying to achieve?

✓ 2. **Quality Measurement and Quality Target Setting:** How will performance be measured for payment purposes?

3. **Cost Target Setting and Payment Methodology:** How will providers get paid?

4. **Performance Improvement:** What information do you need to be successful?

5. **Program Sustainability:** What types of support will be needed to sustain this program?

Today's Objectives

1. Discuss weighting of APM 2 payment between fee-for-service (FFS) and prospective per member per month (PMPM) payments
2. Understand how reconciliation occurs in different payment scenarios
3. Discuss timing and distribution method of incentive payments

3. Prospective Payment and Reconciliation

Overall Payment Design Components

Primary Care Services	Incentive Payments	
APM 2 Core Services	**Quality Payments**	**Chronic Condition Shared Savings**

APM 2 Core Services

Payment for APM 2 code set:

- E&M – Preventative
- E&M - Office/Other Outpatient
- Immunization Administration
- E&M - SBIRT
- Depression Screening
- Blood Draws
- OB/GYN Preventative – Pap smear, vaginal, pelvic, and breast exams/screenings
- E&M – Nursing Facility & Assisted Living
- E&M – Home Visits

Quality Payments

Payment contingent on meeting standards for 7 DOI Measures:

- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- Screening for Depression and Follow-up Plan
- Comprehensive Diabetes Care: HbA1c poor control (>9%)
- Controlling High Blood Pressure
- Consumer Assessment of Healthcare providers and Systems (CAHPS) Adult survey OR Person-Centered Primary Care Measure (PRO-PM)

Chronic Condition Shared Savings

Payment contingent on reducing costs for chronic condition episodes:

- Arrhythmia/Heart block – Low
- Asthma
- Crohn's Disease
- Chronic Obstructive Pulmonary Disease
- Coronary Artery Disease
- Diabetes
- Heart Failure
- Hypertension
- Gastro-Esophageal Reflux Disease
- Low back pain
- Osteoarthritis
- Ulcerative Colitis

Primary Care Service Payments

100% Fee-For-Service (FFS)

- Providers are paid for each individual service rendered
- Payments are based on type and complexity of services provided using the predetermined fee schedule
- 1:1 link between volume and payment

Partial Prospective Payment

- Providers receive a fixed payment (based on predetermined rates) for providing care
- Prospective payments are advance payments for **some** of the FFS revenue that a PCMP would have received
- FFS rates for the APM 2 code set are adjusted based on the % Prospective Payment that a provider selects

100% Prospective Payment

- Providers receive a fixed PMPM payment (predetermined by HCPF) for providing care
- Prospective payments are advance payments for **all** of the FFS revenue that a PCMP would have received
- APM 2 code set claims are shadow billed by the provider, but not reimbursed via FFS

0% ⟵ Blended Model between FFS and Prospective Payment (*APM 2 Code Set Only*) ⟶ 100%

Example Scenario 1: FFS

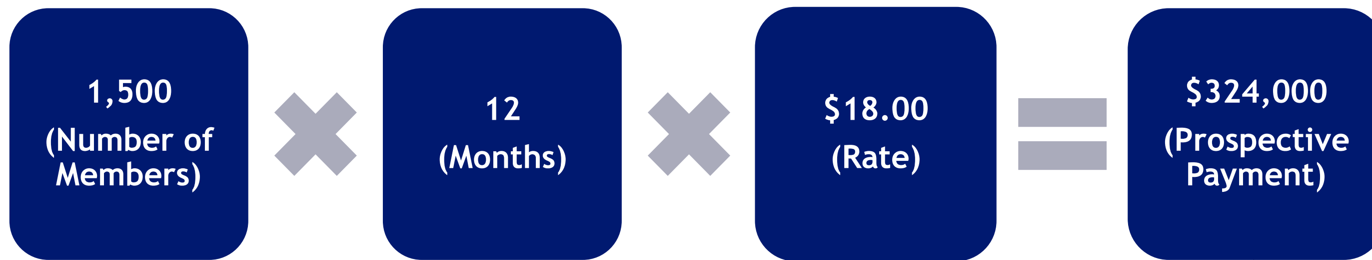
Practice X (1,500 members) performs 2,100 established preventative visits, ***1,000*** *office visits, and 550 depression screenings*

CPT Code	Visits	Jan 2024 HCPF Fee Schedule	Total Payment
99395: Periodic preventive medicine reevaluation and management, Established Patient, Ages 18-39	800	$101.31	$81,048
99396: Periodic preventive medicine reevaluation and management, Established Patient, Ages 40-64	800	$110.33	$88,264
99397: Periodic preventive medicine reevaluation and management, Established Patient, Ages 65+	500	$117.92	$58,960
99213: Established patient office visit, 20-29 mins	1,000	$74.02	$74,020
G8431: Depression Screening Positive; Follow Up Required	200	$32.54	$6,508
G8510: Depression Screening Negative; No Follow Up Required	350	$11.72	$4,102
Total Payment Received			**$312,902**

Practice X received FFS payment of $312,902

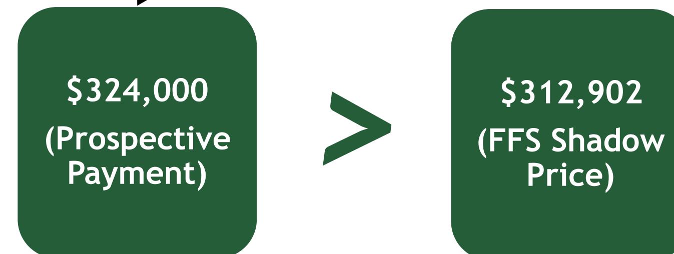
Example Scenario 1: Prospective Payment

*Practice X (1,500 members) decides to take **100% prospective payment** at $18 Per-Member-Per-Month*



Practice X received higher prospective payment payments than the services billed.

Practice X is able to keep the additional money above and beyond billed services (e.g., $11,098) *



*** Note:** As of Program Year 2, practices that achieve a *higher* payment than the FFS shadow priced amount can retain that money *only if* they achieve the 200 point quality threshold

Example Scenario 2: FFS

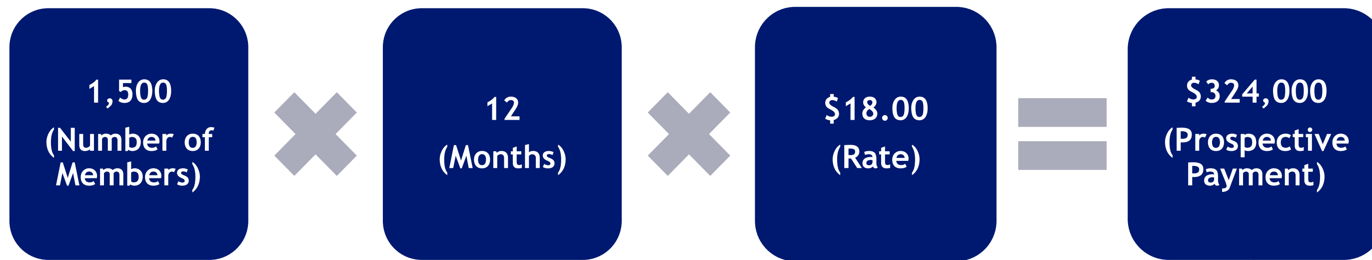
*Practice Y (1,500 members) performs 2,100 established preventative visits, **1,400** office visits, and 550 depression screenings*

CPT Code	Visits	Jan 2024 HCPF Fee Schedule	Total Payment
99395: Periodic preventive medicine reevaluation and management, Established Patient, Ages 18-39	800	$101.31	$81,048
99396: Periodic preventive medicine reevaluation and management, Established Patient, Ages 40-64	800	$110.33	$88,264
99397: Periodic preventive medicine reevaluation and management, Established Patient, Ages 65+	500	$117.92	$58,960
99213: Established patient office visit, 20-29 mins	1,400	$74.02	$103,628
G8431: Depression Screening Positive; Follow Up Required	200	$32.54	$6,508
G8510: Depression Screening Negative; No Follow Up Required	350	$11.72	$4,102
Total Payments Received			**$342,510**

Practice Y received FFS payment of $342,510

Example Scenario 2: Prospective Payment

*Practice Y (1,500 members) decides to take **100% prospective payment** at $18 Per-Member-Per-Month*



Practice Y received a lower prospective payment compared to the FFS services billed *

* **Note:** As of Program Year 2, practices that achieve a *lower* payment than the FFS shadow priced amount will not be reconciled to FFS, *regardless of quality performance*

4. Incentive Payments

How to Pay Out Incentives: Quality

Primary Care Services	Incentive Payments	
APM 2 Core Services	**Quality Payments**	**Chronic Condition Shared Savings**

APM 2 Core Services

Payment for APM 2 code set:

- E&M – Preventative
- E&M - Office/Other Outpatient
- Immunization Administration
- E&M - SBIRT
- Depression Screening
- Blood Draws
- OB/GYN Preventative – Pap smear, vaginal, pelvic, and breast exams/screenings
- E&M – Nursing Facility & Assisted Living
- E&M – Home Visits

Quality Payments

Payment contingent on meeting standards for 7 DOI Measures:

- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- Screening for Depression and Follow-up Plan
- Comprehensive Diabetes Care: HbA1c poor control (>9%)
- Controlling High Blood Pressure
- Consumer Assessment of Healthcare providers and Systems (CAHPS) Adult survey OR Person-Centered Primary Care Measure (PRO-PM)

Chronic Condition Shared Savings

Payment contingent on reducing costs for chronic condition episodes:

- Arrhythmia/Heart block – Low
- Asthma
- Crohn's Disease
- Chronic Obstructive Pulmonary Disease
- Coronary Artery Disease
- Diabetes
- Heart Failure
- Hypertension
- Gastro-Esophageal Reflux Disease
- Low back pain
- Osteoarthritis
- Ulcerative Colitis

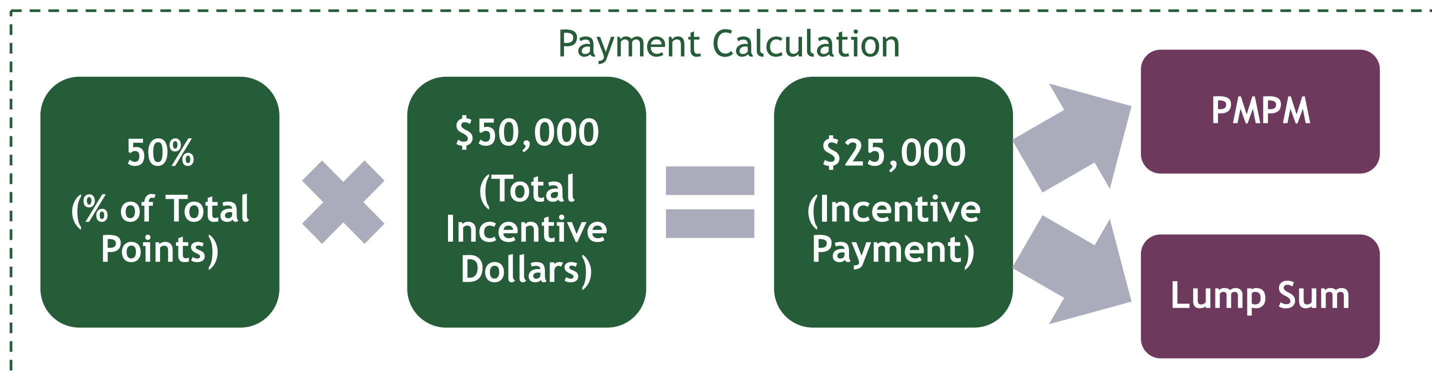
Example Payment for Quality Performance

Participating practices can achieve up to 100% of incentive funding available based on performance on quality measures

Example Scorecard for Quality Payment*

Measure	Points Awarded	Maximum Points	% of Total
Controlling High Blood Pressure	33	100	33%
Hba1c Poor Control	67	100	67%
Total Points:	100	200	50%

*** Note:** Only a subset of the DOI measures are shown; all 7 measures will be mandatory and tied to payment



Practice X received $25,000 based on the prior 12 months of quality performance

For Discussion: Should performance-based incentives be paid out via PMPM or lump sum?

How to Pay Out Incentives: Chronic Conditions

Primary Care Services	Incentive Payments	
APM 2 Core Services	**Quality Payments**	**Chronic Condition Shared Savings**

APM 2 Core Services

Payment for APM 2 code set:
- E&M - Preventative
- E&M - Office/Other Outpatient
- Immunization Administration
- E&M - SBIRT
- Depression Screening
- Blood Draws
- OB/GYN Preventative - Pap smear, vaginal, pelvic, and breast exams/screenings
- E&M - Nursing Facility & Assisted Living
- E&M - Home Visits

Quality Payments

Payment contingent on meeting standards for 7 DOI Measures:
- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- Screening for Depression and Follow-up Plan
- Comprehensive Diabetes Care: HbA1c poor control (>9%)
- Controlling High Blood Pressure
- Consumer Assessment of Healthcare providers and Systems (CAHPS) Adult survey OR Person-Centered Primary Care Measure (PRO-PM)

Chronic Condition Shared Savings

Payment contingent on reducing costs for chronic condition episodes:
- Arrhythmia/Heart block – Low
- Asthma
- Crohn's Disease
- Chronic Obstructive Pulmonary Disease
- Coronary Artery Disease
- Diabetes
- Heart Failure
- Hypertension
- Gastro-Esophageal Reflux Disease
- Low back pain
- Osteoarthritis
- Ulcerative Colitis

Recap: Chronic Condition Shared Savings

Participating practices can earn 50% of the savings they generate via incentive payments if they reduce chronic episode costs by at least 2%

Example Calculation for Diabetes Episode Shared Savings

	A	B	C = B * 98%	D = C - A	E	F = D * E * 50%
Example Provider	Average Diabetes Episode Cost	Acceptable Threshold (CO Average)*	Commendable Threshold	Savings per Diabetes Member	Diabetes Member Count	Provider Incentive Payment
X	$1,000	$1,020	$1,000	$0	100	$0
Y	$950	$1,020	$1,000	$50	100	$2,500
Z	$900	$1,020	$1,000	$100	100	$5,000

*** Note:** Episode costs are risk-adjusted for each attributed members based on category of aid, gender, number of comorbid chronic conditions, and the presence of behavioral health conditions. A full list of qualifying chronic conditions is available on page 11 of the APM 2 Provider Guidebook.

For Discussion: Does the current reward structure for Chronic Condition Shared Savings appropriately reward provider performance?

Practice X received $0 since they did not achieve savings above the Commendable Threshold

5. Looking Ahead

What's Next

- **Next DRT Session:** Wednesday, June 26 from 11:00am – 1:00pm
- **Resources** available for your review:
  - Team Charter
  - APM 2 Program Resources
  - APM 101 Videos
    - APM 1
    - APM 2
- **Questions?** Please email us at HCPF_VBPStakeholderEngagement@state.co.us

Upcoming DRT Meeting Topics

Date	DRT Session	APM Framework Component	APM 2 DRT Session Topic (Subcomponent)
Feb 6	1	DRT Overview	Sessions, expectations, background
Feb 28	2	Goals and Objectives	Feedback on goals
Mar 13	3	Quality Measurement and Quality Target Setting	Feedback on quality measures and targets as well as operationalization
Mar 27	4	Payment	Feedback and proposed considerations for attribution method
Apr 24	5	Quality Measurement and Quality Target Setting	Feedback on quality target setting methodology
May 8	6	Office Hour	Questions and feedback
May 22	7	Quality Target Setting	Feedback on quality target setting methodology
June 12 – Today!	8	Payment	Feedback on prospective payment and reconciliation process
June 26	9	Payment	Special considerations for provider types & populations
July 10	10	Payment	Joint accountability and care coordination
July 24	11	Performance Improvement and Program Sustainability	Actionable insights and needed supports, resources, and data

Questions?