

Provider Webinar

Alternative Payment Models 2 (APM2)

Winter 2023



*This meeting is
being **recorded***



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Agenda

In lieu of introductions, please chat in your name, role, organization, and preferred pronouns

- Welcome and purpose
- APM2 Overview—importance, structure, and benefits
- Case study—how the numbers work in real life
- Perspective— Trevor Abeyta
- Sign-up process
- Closing comments and Q&A

We are hoping for an interactive session.

- Please use Q&A function for your questions & comments.
- Chat is only for technical issues.



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Importance of APMs

- The US spends more on health care than any other developed nation, but our outcomes aren't any better
- Disparities in access and outcomes exist across member groups, indicating that we must change parts of our health care system

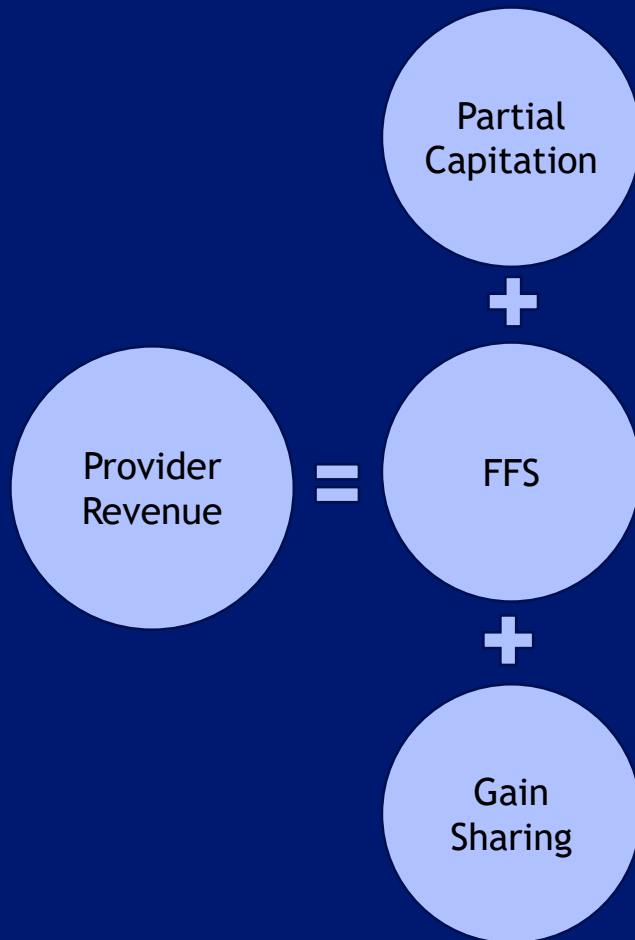
→ We need to shift money from high-cost environments (e.g., hospitals and EDs) to lower cost environments, like primary care



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How it Works



Stabilizes revenue and allows investments in outreach, care coordination, etc. that aren't tied to a specific visit

Balances partial capitation with an additional payment to reflect visit volumes

Upside-only incentive payments to share the savings achieved by improving patient outcomes and lowering costs



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PMPM & FFS*

- Utilizes modified APM Code Set
- Providers can choose PMPM and fee for service revenue breakdown
- Codes/Patients outside of APM 2 are paid as 100% FFS
- Providers "shadow bill" to assist with future rates & reconciliation

Chronic Conditions

- Annual risk-adjusted thresholds
- Calculations begin approximately 6 months after each program year ends
- Providers who lower costs to the Commendable Threshold or lower will receive 50% of the savings

*Per Member Per Month and Fee For Service



APM2 is Good for Providers

- ✓ Control of health care decision-making
- ✓ Same quality metrics for simplicity
- ✓ Revenue stability
- ✓ Revenue control
- ✓ Share of the cost hits your bottom line



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APM2 is Good for Patients

Increased investment in primary care enables:

- ✓ Improved outcomes
- ✓ Higher quality care
- ✓ Additional support managing their health
- ✓ Increased health equity



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Eligibility and Progress

- All providers who are APM1 participants are eligible
- Nearly 20% of members attributed to providers/systems that have already enrolled and are enjoying revenue stability & shared cost savings
- By 2025, Health First Colorado aims to have:
 - 50% of Medicaid payments tied to a value-based model
 - All providers automatically enrolled into APM2 with the choice to opt-out



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Case Study

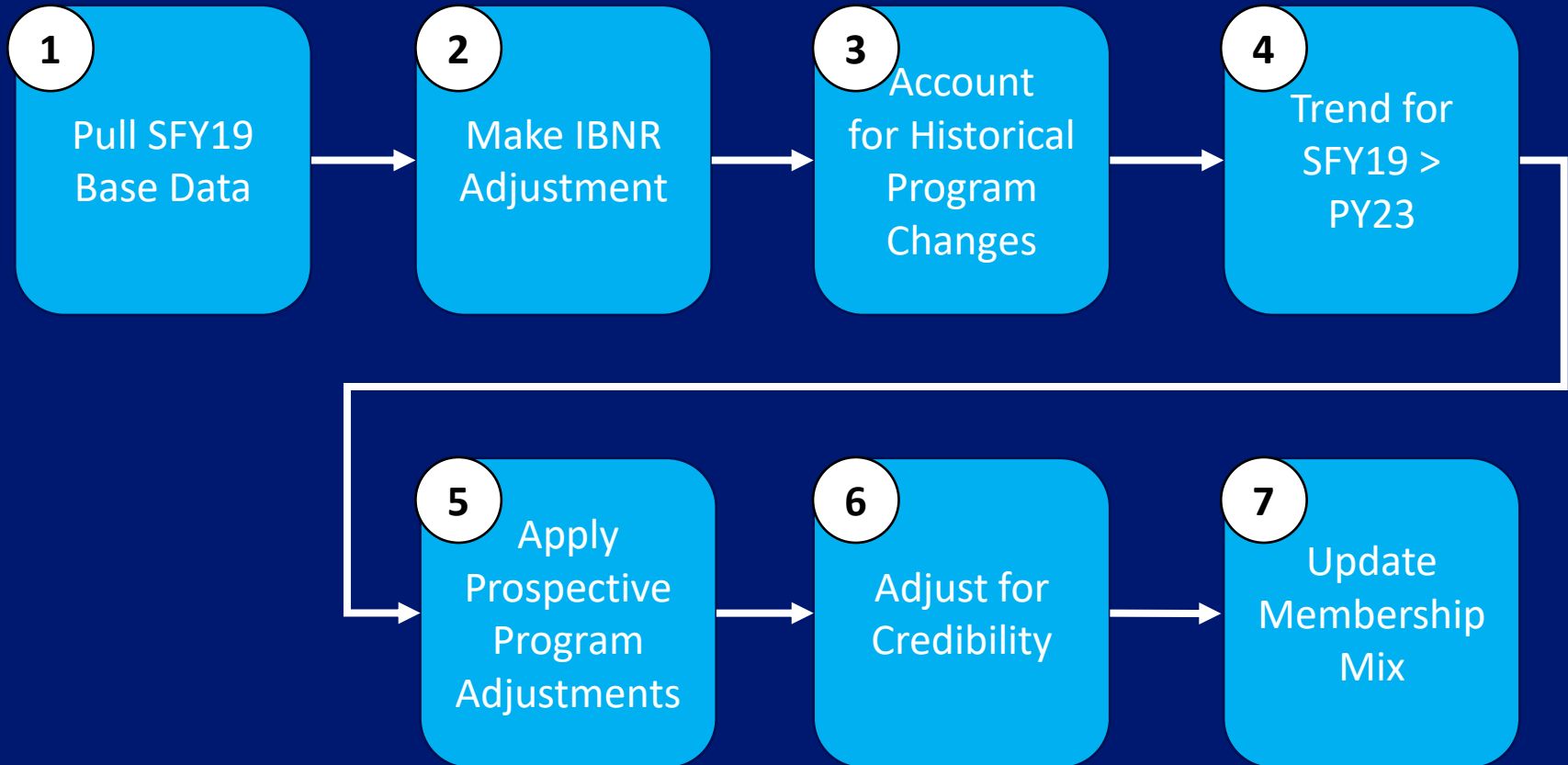
Seth Adamson and Jim Piekut from Optumas, the State's actuary, will help share how the numbers work for real-life practices



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Calculation Overview



Program Rule Updates

- As APM 2 matures, the Department continuously looks to make necessary Medical Services Board (MSB) rules updates that align with program operations
- Purpose: Aligning MSB rule language with APM 2 operations
- MEDICAL ASSISTANCE - Section 8.200.7.E. - Physicians Services - Prospective Medical Payments to PCMPs
 - Reconciliation for Non-FQHC providers
 - Upwards reconciliation process
- MSB Meeting March 10th, 2023
(<https://hcpf.colorado.gov/medical-services-board>)
- For more information about the MSB Rule update, contact Dawson LaRance (dawson.larance@state.co.us)





Program Direction
Perspective from
Trevor Abeyta
*Payment Reform
Section Manager*



Department Budget Request R-06

R-06: “The Department seeks to increase the current rates paid to PCMPs for adult primary care and pediatricians in a non-FQHC setting by 16%. The Department plans to give the full rate increase to PCMPs who elect to earn at least 25% of their revenue as a partial capitation payment in FY 2022-23.”



R-06 represents a 16% increase to total APM 2 code set spending by primary care providers



R-06 includes funding to support practice transformation and training



Any provider taking 25% PMPM or more in APM 2 will receive the full 16% increase to their PMPM

How to Get Started

1. Email primarycarepaymentreform@state.co.us to request data
2. Actuaries provide data on current and potential practices rates; there is no commitment to join
3. Decide the structure of payments and revenue model that works for you
4. Enroll in APM2 by completing a simple agreement

▶ You can decide how far and how fast you join and have the option to change your level of participation over time



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Questions?



Contact Info

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Thank you!



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