1570 Grant Street
Denver, CO 80203

Maternity Bundled Payment Program

Frequently Asked Questions

June 2024

Program Overview and Participation

Q: What is the Maternity Bundled Payment Program?
A: The Maternity Bundled Payment Program is a part of the Colorado Department of Health Care Policy & Financing (HCPF)'s efforts to transition to value-based payments. The program promotes higher-quality and lower-cost care through a retrospective value-based payment system that covers all prenatal, labor and delivery, and postpartum care for pregnant and birthing parents. The program complements, and does not replace, a provider's existing payment structures.

Q: How long has the Maternity Bundled Payment Program been around?
A: The program, launched in November 2020, is currently in its fourth year and covers one out of every four Health First Colorado births through participating providers.

Q: Who is eligible to participate in the program?
A: Obstetric care providers who provide prenatal services, regardless of whether they deliver the baby, can join the program.

Q: How does the program work? Can I lose money if I choose to participate?
A: In the program, participating providers can earn upside-only shared savings. The program is voluntary and risk-free. Providers have an annual episode cost threshold calculated based on their historical performance. An episode is defined as all prenatal, labor and delivery, and postpartum care associated with a single delivery event. Actual episode costs during a 12-month performance period will be retrospectively evaluated against the annual cost threshold. In the first year, providers will receive shared savings payments if actual costs do not exceed the threshold. Starting in the second year of participation, providers will also work toward tailored goals on quality measures. Providers will receive shared savings payments if both cost reduction and quality goals are met.

Q: How long is the program commitment for participating providers?
A: Program participation is voluntary. Once joining the program, providers can opt out at any time with an effective date at the end of that program year.

Q: How can I join the program? Is there a deadline to apply and participate in the program?
A: Interested providers may request an individual meeting with HCPF at any time to learn more about the program. There is no deadline to apply and participate in the program. To learn more and to request a meeting, please complete this contact form.

COLORADO
Department of Health Care Policy & Financing
1570 Grant Street
Denver, CO 80203

Episode Inclusions/Exclusions

Q: Which services are included or excluded in the calculation of the bundled payment?
A: More than 800 CPT codes are included in the calculation of bundled payments. Neonatal services for the newborn and non-maternity care are not included in the calculation of the maternity bundle payment.

Q: Will providers continue to get paid for maternity services not included in the bundle?
A: Yes, the services included in the maternity episode definition are only used to determine the provider's financial performance and potential savings during the program. Providers will continue to be reimbursed for all covered maternity services through the existing fee-for-service structure, and patient benefits will not be altered.

Q: Does the bundle include emergency Medicaid recipients?
A: No, emergency Medicaid recipients are not included in the bundle because they typically do not have their prenatal care paid for by Medicaid.

Q: Are high-risk episodes excluded from the program?
A: No, high-risk episodes based on clinical criteria are not excluded. Both vaginal and cesarean section deliveries are included in the program. However, both high-cost and low-cost outliers will be excluded. High-cost outliers include episodes with costs greater than the 95th percentile for specific provider episode cohorts. Low-cost outliers include episodes with costs lower than the 5th percentile for specific episode cohorts.

Q: What are the patient exclusions for the program?
A: Patient cases will be excluded for any of the following reasons:

- *Patient is dual eligible for Medicaid and Medicare*
- *Third-party liability on claim*
- *No prenatal services supplied to the patient by the delivering provider*
- *Patient expired*
- *Incomplete episode claims*
- *No professional claim for delivery*
- *High-cost / Low-cost outliers*
- *Emergency Medicaid recipients*

Episode Cost Thresholds and Quality Measures

Q: How are episode cost thresholds calculated?
A: Episode cost thresholds will be calculated separately for each participating provider based on their unique Health First Colorado billing ID. Providers who are interested in joining will work with HCPF to determine which ID to use for their specific structure. Two-episode cost thresholds will be calculated — an acceptable threshold and a commendable threshold. Acceptable cost thresholds will be calculated using the average cost for all qualifying maternal episodes over the past two years (excluding cost outliers). The commendable threshold is calculated by applying a minimum savings rate to the acceptable threshold. The minimum savings rate is calculated based on the distribution of a provider's episodes to ensure that savings are a result of performance improvements.

1570 Grant Street
Denver, CO 80203

Q: Which types of claims will be included in the program?
A: Both professional and facility claims (including fee-for-service claims from the hospital) will be included in the calculation of episode costs. However, shared savings will only affect payments to the provider.

Q: Will episode cost thresholds change?
A: Thresholds will be recalculated for each participating provider annually.

Q: If a significant number of new providers have recently joined an obstetrician group or health system (e.g., through an acquisition), how would that affect the threshold calculations, which are based on historical claims?
A: HCPF will work directly with interested groups and systems to determine episode cost thresholds for each provider. HCPF will calculate the thresholds using a consistent method and the best available data for each provider. For example, in the case of a recent acquisition, HCPF may have historical data for the practice that was acquired that could be incorporated into the calculation, if appropriate.

Q: Will the quality measures be based on claims data or on electronic clinical data?
A: Quality measures are currently based on claims data. HCPF is continuing to explore opportunities to incorporate electronic clinical data.

For more information, contact:

Steve Harrington, Maternity Bundle Analyst
steve.harrington@state.co.us