



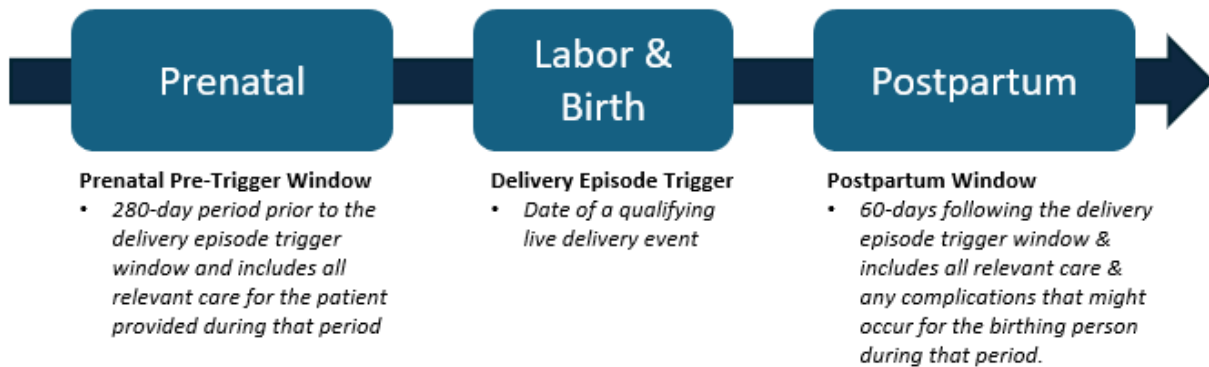
August 2024

The Department of Health Care Policy & Financing (Department) has adopted [innovative alternative payment](#) models that support a transition from the traditional fee-for-service (FFS) to value-based payments. Bundled payments are one alternative payment program offered to providers caring for Health First Colorado (Colorado’s Medicaid program) members. Bundled payments involve providing a single, comprehensive payment that covers all the services within an episode of care.

Maternal health is a priority for the State of Colorado and the Department focused its first episode-of-care bundle on maternity care. The Maternity Bundled Payment Program is an opportunity for obstetricians and gynecologists (OB-GYN providers) to earn financial incentives for influencing continuity of care and health outcomes for mothers and their babies.

**Maternity Episode Definition**

The maternity episode is inclusive of a patient’s prenatal, delivery, and postpartum care as seen below (the postpartum coverage period remains limited to 60 days postpartum with Medicaid coverage extended further):



The episode definition and final code set ([available here](#)) were determined by analyzing the codes billed for patients within a maternity episode. The Department identified episodes triggered using a delivery diagnosis-related group (DRG) and then searched for any code with a pregnancy-related diagnosis code in two years of Medicaid claims.

**Principal Accountable Provider**

In a bundled payment model, a principal accountable provider (PAP) is the provider who has the greatest ability to influence the cost and quality of care of the episode. PAPs hold the risk-reward relationship with the Department for the episode. PAPs can elect to participate in one of the following two tracks:

Track	Track Description	Track Identification Method
One	OB-Gyn who delivers the baby AND provided at least some prenatal services	Identified by the billing of the professional component of the delivery
Two	OB-Gyn who provided at least some prenatal services but does not deliver the baby	Identified by the billing of prenatal services

The second track was created based on stakeholder feedback about including PAPs who do



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not perform the delivery themselves but provide prenatal and postpartum care. Regardless of which track a PAP chooses, the provider is accountable for all the services provided across the maternity definition, even the ones they do not provide themselves.

### Reconciliation Methodology

The Department will retrospectively reconcile a PAP’s episode performance once per year for each performance period. Performance periods are as follows:

Performance Period	Start Date	End Date
Year One	Nov. 1, 2020	Oct. 31, 2021
Year Two	Nov. 1, 2021	Oct. 31, 2022
Year Three	Nov. 1, 2022	Oct. 31, 2023
Year Four	Nov. 1, 2023	Oct. 31, 2024
Year Five	Nov. 1, 2024	Oct. 31, 2025

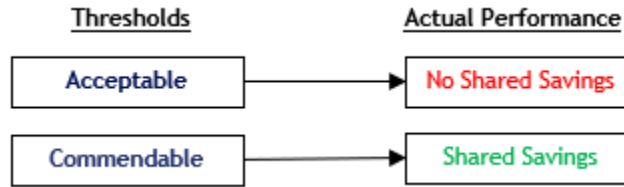
The Department will determine a PAP’s episode performance calculation by aggregating the PAP’s episodes into two-episode cohorts. When the pregnant person has received treatment for behavioral health and/or mental health issues during the episode (shown in claims or encounter data files) the episode will be flagged as BH/MH.

The first cohort will include episodes with the BH/MH flag. The second cohort will include episodes without a BH/MH flag. Each episode cohort will then be aggregated to calculate average episode spend. The average episode spend for each cohort will be reconciled against each set of thresholds (BH/MH and non-BH/MH). The following will be excluded from all the PAPs episodes:

Exclusions
Member Dually Eligible for Medicare and Medicaid
Third-Party Liability on Claims
PAP Provided No Prenatal Services
Member Expired During Episode
No Professional Claim for Delivery
Member Left PAP’s Care During Prenatal Period
High-Cost Outliers above the 95 <sup>th</sup> percentile
Low-Cost Outliers below the 5 <sup>th</sup> percentile

### Distribution of Incentive Payments

PAPs will receive an incentive payment if their average episode performance is below the Commendable Threshold. (See the chart below.) The Department will reconcile the incentives within 90 days following the end of the performance period. It is the PAP’s responsibility to review the incentive and notify the Department if there is any disagreement with the calculation.



**Quality Measures**

During the first year, the Department will create a quality baseline set of measures that will be used to set quality goals for the Providers second year of participation and onward. Most of the goals will be used as a requirement to qualify for payment, others will be used for tracking only. The current set of are:

<b>Measures Tied to Payment in Year 2 &amp; Onward</b>
Postpartum Depression Screenings
Postpartum Contraceptive Care
Unexpected Complications in Term Newborns
Severe Maternal Morbidity (SMM)
<b>Measures Used for Tracking in Year 2 &amp; Onward</b>
Low Birth Weight