COLORADO
Department of Health Care Policy & Financing

New Maternity Alternative Payment Model (APM) Design Review Team
Session 4 – Quality Measures
Meeting Minutes

July 25, 2024
7:30-9:30 am MT via Zoom

- **Facilitator:** Suman Mathur
- **Scribe:** Kimberly Phu
- **Purpose and Goals:**
  - Review discussion and feedback from the previous Design Review Team (DRT) session (June 27, Quality Measurement)
  - Review and discuss two options for target setting (how we set targets for metrics tied to payment to help measure the success of the new Maternity APM's goals and objectives)

Key Decisions or Takeaways

1. DRT members asked whether performance would be measured at the provider or group level, noting that both would have impacts on payment and feasibility. For example, group performance may "average out" and cause high-performing providers to not receive an incentive payment. However, individual performance may be logistically difficult with regards to billing. Some DRT members suggested HCPF allow providers and practices choice in how they are measured.
2. Some DRT members noted concerns that providers who perform below the minimum acceptable threshold, and therefore do not receive incentive payment, may be discouraged from participating in the program or from accepting Medicaid patients. This is a concern HCPF must consider especially as it may have impacts on surrounding health systems. However, other DRT members noted that providers who perform at that level should not receive an incentive payment and HCPF should educate providers that while they do not receive an incentive, they still are reimbursed and tie this back to the values and purpose of the APM.
3. DRT members discussed and acknowledged the benefits and drawbacks of both the sliding scale and tiering reward structures. For example, some members noted that the sliding scale better incentivizes improvement, but a tiering structure provides more reliable revenue projections. Of a vote of in-meeting DRT members, 63.6% indicated they preferred the sliding scale.

Agenda

1. Welcome and Updates
2. Session 3 Recap (June 27, Quality Measurement)
3. Target Setting: Guiding Principles and Thresholds

4. Break
5. Reward Between Thresholds
6. Looking Ahead

Meeting Minutes

1. Welcome and Update

Suman Mathur called the meeting to order and welcomed participants.

B Torres, interpreter for our session today, reminded folks that to support interpretation, please speak at a slower pace and refrain from using acronyms.

Suman then reviewed the Department of Health Care Policy and Financing's (HCPF) mission, as well as today's agenda and meeting objectives.

She then introduced additional members of the HCPF team joining today's call, including Lynn Ha, Helen Desta Fraser, and Dr. Lisa Rothgery.

Suman then led the group through an introduction, asking folks to list their name, organization in the chat (if applicable), and an Olympic sport that doesn't exist yet that should.

Suman then provided an update that we will be extending DRT sessions into September to accommodate additional time for topics.

2. Session 3 Recap (June 27, Quality Measurement)

Suman provided a high-level overview of DRT Session 3 which focused on quality metrics. In general, DRT members agreed that the proposed metrics were impactful and feasible. All comments and suggestions have been reviewed by the HCPF Maternity APM team and no comments have been disregarded.

Suman noted that DRT Session 3 meeting minutes were sent on Monday, July 22. DRT members should review the minutes and email the Stakeholder Engagement team at HCPF_VBPStakeholderEngagement@state.co.us by end of day Friday, July 25 with any proposed changes to the meeting minutes.

3. Target Setting: Guiding Principles and Thresholds

As a level-set into today's conversation, Suman reviewed what is in and out of scope for today's DRT session.

Lynn Ha provided an overview of how quality impacts payment, as well as HCPF's current reward structure which is called the "close-the-gap" methodology. She noted that HCPF is moving away from this methodology and towards one that captures absolute performance.

Katey Ortlieb overviewed five guiding principles for a reward structure:

- Supports high performance: the reward approach should reward those that are already high performers to stay at that level or, if possible, to improve and encourage those that are not high performers to continuously improve.
- Makes rewards achievable: the reward structure supports a system where participants feel that achieving rewards is within reach based on where performance currently stands.
- Scales the size of the reward to the effort: rewards should be reflective of the level of effort required to improve.
- Supports predictability: the level of anticipated reward needs to be predictable for period of time.
- Draws from evidence-based observations: the ability to improve and get closer to targets is supported by national, state and regional benchmarks when available.

Lynn then overviewed key components of the reward structure which includes a HCPF goal, commendable threshold, and minimum acceptable threshold. She paused for questions.

- One DRT member asked how performance is measured.
    - Suman responded that it depends on the measure, for example, surveys or through existing data.
- Another DRT member asked whether the performance measurement would be for individual providers or provider groups.
    - Suman responded that this is still being discussed at HCPF and is yet to be determined.
- A DRT member asked whether all chosen quality measures will have established national benchmarks for Medicaid.
    - Suman responded that Lynn will further explain this in the coming slides, but we will continue to discuss benchmarks for measures.

Lynn then walked the group through a target setting example with sample numbers to better understand the commendable and minimum acceptable threshold. (Note that the numbers referenced are for example purposes, only.) Summarized feedback from DRT members are as follows:

- DRT members noted that whether performance is measured at the provider or group level would have impacts on payment and feasibility. For example, group performance may "average out" and cause high-performing providers

to not receive an incentive payment. However, individual performance may be logistically difficult with regards to billing. Some DRT members suggested HCPF allow providers and practices choice in how they are measured.

- A DRT member asked what the mechanism is for how thresholds are modified over time. For example, if everyone performs better than the state goal, measures may sunset because everyone is doing well. On the other hand, there may be too high of expectations, and no one can achieve the measure.
    - Helen responded that HCPF would like to reassess thresholds on an annual basis to determine whether thresholds need to change which would consider national benchmarks.

Suman then posed the following questions to the group: in general, is there a performance level that justifies providers receiving the full (100%) reward? In general, is there a performance level that is inadequately low where no reward (0%) should be given to providers? Summarized feedback from DRT members are as follows:

- Some DRT members noted concerns that providers who perform below the minimum acceptable threshold, and therefore do not receive incentive payment, may be discouraged from participating in the program or from accepting Medicaid patients. This is a concern HCPF must consider especially as it may have impacts on surrounding health systems. However, other DRT members noted that providers who perform at that level should not receive an incentive payment and HCPF should educate providers that while they do not receive an incentive, they still are reimbursed and tie this back to the values and purpose of the APM.
- A DRT member asked whether HCPF will be measuring based on claims data and raised a concern regarding being unable to bill out until the patient is seen for postpartum care which would delay the data coming in and asked how that would be managed.
    - Kathleen responded that claims data will be the primary source, but HCPF is thinking through how to address data lags.
    - Helen elaborated that HCPF will also be using other supplemental data feeds depending on the measure.

4. Break

The group took a 5-minute break.

5. Reward Between thresholds

Suman called the group back after a 5-minute break.

Francois then introduced the group to the idea of what happens in between the commendable and minimum acceptable thresholds. He prefaced that a key point to the reward structure is ensuring reliability.

- A DRT member asked whether reliability is dependent on statistical power, in which case the size of practice (number of patients served) would matter.
    - Francois responded yes; the number of patients does matter.

He then overviewed the first option of a tiering reward structure. A tiered structure would create additional cut points in between the thresholds. In the shown example, there are two tiers.

Suman then reviewed the potential benefits and drawbacks of a tiered reward structure. No questions were asked about the tiering reward structure.

Francois then introduced the second option which is a sliding scale. A sliding scale reward structure would have payment be proportionate to the performance percentage.

He then overviewed the potential benefits and drawbacks of the sliding scale structure.

Finally, Francois walked through an example of how payment would look like under both structures, noting that which structure is most appropriate may be measure dependent.

Suman provided a group with an analogy of both structures; tiering equates to a "letter grade," for example A through F and the sliding scale is equivalent to a "percentage grade", such as 76% or 82%. Summarized feedback from DRT members is as follows:

- DRT members discussed and acknowledged the benefits and drawbacks of both the sliding scale and tiering reward structures. For example, some members noted that the sliding scale better incentivizes improvement, but a tiering structure provides more reliable revenue projections. Summarized themes of the comments made about the pros and cons of the reward structures are as follows:
    - The sliding scale may not support meaningful growth but may be more psychologically encouraging. It may also incentivize more people who are meeting the benchmark as opposed to the tiering structure.
    - The sliding scale incentivizes small, incremental improvements which is improvement. Being in the middle of a tier, the investment and resources may not guarantee someone would meet the next tier and may disincentivize providers and improvement. Therefore, the sliding scale provides benefits in that regard. However, the uncertainty of the

sliding scale is concerning. For example, it may be more difficult to project what performance and revenue will look like in the coming year under a sliding scale compared to the tiering scale.
    - Risk adjustment should be built into the program to ensure that practices that serve high needs and complex populations are considered.
- Of a vote of in-meeting DRT members, 63.6% indicated they preferred the sliding scale.
- Ke noted that he appreciates the discussion on everyone's preferences between the two reward structures. He reiterated that there is no right or wrong answer. He elaborated that he sees each option as being essentially the same but with various degrees. That is, sliding is actually tiering, but at a more extreme level. He noted that people who prefer the sliding scale seem to care more about sensitivity and capturing accurate performance and want to have exact payment amounts to reflect their performance. On the other hand, those who prefer tiering like the simplicity and this structure may be a faster payment approach. When HCPF is making a final decision, they will balance all of this input, including aspects of fairness, complexity, sensitivity, etc. from all stakeholder perspectives.

Katey and Suman wrapped up this portion of the conversation by showing an illustrative example of how performance would determine levels of payment across multiple measures. This will be discussed further in future sessions.

6. Looking Ahead

Suman wrapped up the meeting by providing next steps.

- There will be another optional office hours. The Stakeholder Engagement team will share out an invite once it has been scheduled.
- The next DRT session will be Thursday, August 8 from 7:30-9:30 am. The topic will be focused on payment.
- An email will be sent with follow-up materials for today, as well as the DRT 3 session meeting minutes for review.
- DRT members can also email the stakeholder engagement team at HCPF_VBPStakeholderEngagement@state.co.us.