

Value-Based Payment and Financial Simulations Technical Support Available for State Medicaid Agencies

Program Overview

Medicaid Innovation Accelerator Program

The Medicaid Innovation Accelerator Program (IAP) is a collaboration between the Center for Medicaid and CHIP Services (CMCS) and the Center for Medicare-Medicaid Innovation (CMMI), designed to build state capacity and support ongoing innovation in Medicaid. IAP provides targeted support to states' ongoing Medicaid delivery system reform efforts across four program priority areas. These areas are: (1) reducing substance use disorders; (2) improving care for Medicaid beneficiaries with complex care needs and high cost; (3) promoting community integration through long-term services and supports; and (4) supporting physical and mental health integration.

The Medicaid IAP also provides support in four functional areas, which are seen as the building blocks to delivery system reform: (1) data analytics, (2) quality measurement, (3) value-based payment and financial simulations, and (4) performance improvement. For the Medicaid IAP's functional area on value-based payment and financial simulations, IAP offers targeted technical support to state Medicaid agencies in designing, developing and/or implementing Value-Based Payment (VBP) approaches [i.e., payment models that range from rewarding for performance in fee-for-service (FFS) to capitation, including Alternative Payment Models (APM) and comprehensive population-based payments]. The Medicaid IAP and the State Innovation Group at CMMI work collaboratively to align state VBP approaches to existing multi-payer efforts under the State Innovation Models (SIM). In addition, if a state seeks to pursue a particular VBP approach in their FFS or Medicaid managed care program, IAP provides the state with support to conduct financial simulations that analyze the financial impact of these payment and delivery strategies.

Overview of Technical Support

The first cohort of Medicaid IAP value-based payment and financial simulation technical support states began in 2017. The goal of the 2018 Medicaid IAP opportunity is to support states as they develop Medicaid VBP models and/or enhance and expand existing state Medicaid payment reform efforts. Individualized technical support is available for states interested in designing, developing, or implementing VBP approaches that will promote improved health outcomes for their Medicaid beneficiaries within and beyond the four IAP program priority areas.¹ This opportunity is open to states at all levels of expertise in VBP, whether or not they have had experience developing VBP approaches or conducting financial simulations. At the conclusion of the year-long technical support, participating states will be prepared to further advance VBP in their Medicaid programs.

Components of Technical Support for States

Technical support will be offered for up to 10 states for a period of up to 12 months. The individualized support will be based upon each state's specific needs as identified through an Expression of Interest form and the initial

¹ This IAP opportunity does not address Maternal and Infant Health (MIH) or Children's Oral Health value-based payment approaches, which are part of separate IAP opportunities.

goal setting process. The technical support team for each state will include: Medicaid policy experts, subject-matter experts, research analysts, data management experts, and financial simulation experts. In addition to individualized support, states will have access to group technical support and peer-to-peer learning opportunities with other states.

Types of Technical Support

The content and method of technical support for selected states will be refined based on each state's specific needs. It will follow a menu-style approach where states identify the technical support that best meets their needs, such as:

1. Strategic design by drilling down into states' payment model goals, objectives, and technical support needs:
 - a. Development of a VBP options memo or VBP roadmap to provide key considerations and potential VBP approaches (e.g., bundled payments, episodes of care, pay-for-performance, per member per month payments, gain- or risk-sharing approaches, advanced Primary Care Medical Home, Accountable Care Organization, global payments, etc.) that are appropriate to an individual state's Medicaid health care delivery and payment environments.
 - b. Support with identifying other payers' (e.g., Medicare, commercial) VBP approaches to assist with alignment to Medicaid and/or help aligning VBP in FFS and managed care.
 - c. Assistance in aligning with the Department of Health and Human Services' (HHS) VBP goals; HHS Health Care Payment Learning and Action Network's APM framework; and Medicare Access & CHIP Reauthorization Act's (MACRA) Quality Payment Program.
2. Develop VBP approaches in Medicaid:
 - a. Support examining strategic VBP considerations, such as setting VBP targets, attribution methodologies, and gain-sharing methodologies, around a particular VBP approach or approaches.
 - b. Better understanding the elements of implementing a VBP within Medicaid managed care, including appropriate levels of risk, prescriptive versus flexible approaches, and contracting examples.
 - c. Help understanding the strategic considerations related to measure identification and monitoring VBP outcomes.
3. Implement a VBP approach in Medicaid:
 - a. Support the state in creating its provider technical support and training materials, including decision-making tools such as readiness assessments, checklists, or manuals as well as best practices and recommended reports.
 - b. Support the state in stakeholder engagement process/activities related to Medicaid VBP.
4. Support in developing financial simulations of state-developed VBP approaches:
 - a. Developing a VBP analysis methodology and conducting financial simulation modeling of a specific VBP approach, for example:
 - I. Forecasting the expected payout for participating providers or predicting providers' response to risk sharing.
 - II. Examining the implications of different options for various Accountable Care Organization elements.
 - III. Identifying the proportion of Medicaid enrollees attributed to Regional Care Organizations and/ or Patient Centered Medical Homes.

Selection Criteria and Timeframe

The Medicaid IAP program seeks to engage with up to 10 states that demonstrate a commitment to advancing Medicaid payment reform, regardless of whether a state has taken steps to date. In the expression of interest form, states are asked to identify their top three priority requests so that the goal setting process can focus on the state's most immediate needs. States from the 2017 cohort are welcome to submit an Expression of Interest form requesting support that is unique from the work conducted under their previous participation.

All states that submit an Expression of Interest form will be contacted by the Medicaid IAP for a one-on-one conference call. The purpose of these calls is to discuss the state's goals and needs and to answer questions about the technical support offered. The Medicaid IAP anticipates notifying selected states in July 2018.

State commitment to advancing Medicaid payment reform is demonstrated by:

- Leadership acknowledgement that the team has or will have sufficient staff time and resources for this effort for a period of up to 12 months.
- Identification of a team lead who will oversee and be accountable for the day-to-day work in connection with the technical support.
- Evidence that Medicaid payment reform is a priority for the state Medicaid program. For states already engaged in reform, this would include the existence of strategic design and development work on VBP approaches.
- Ability to clearly articulate technical support needs.
- Capacity to begin work shortly after selection for technical support.

During the delivery of technical support, participating states will be expected to engage in regularly scheduled meetings with the Medicaid IAP and to contribute to agreed-upon deliverables.

What is the Benefit to Selected States?

A combination of individualized and cross-state technical support that is:

- Tailored to states' existing environment, resources, policy levers, Medicaid payment and delivery system reform efforts, and unique challenges; and
- Targeted to states in designing and implementing VBP approaches in Medicaid, including those in need of support in developing financial simulations for these efforts.

How Do Interested States Apply for Technical Support?

Interested states are asked to complete and email an Expression of Interest form to MedicaidIAP@cms.hhs.gov by **April 13, 2018**. Direct questions to MedicaidIAP@cms.hhs.gov, subject line "VBP and Financial Simulations."