

Medicaid Innovation Accelerator Program

Estimating Changes in Medicaid Expenditures for Various Value-Based Payment Approaches – Oregon's Experience

August 20, 2019

3:00 PM – 4:00 PM ET



Logistics for the Webinar

- All lines will be muted
- Please do not put your line on hold
- Use the chat box on your screen to ask a question or leave a comment

Learning Objectives

By the end of this webinar, participants will:

- Learn about the Medicaid Innovation Accelerator Program (IAP) and Oregon's goals and objectives for developing the Value-Based Payment (VBP) estimation technical resource
- Learn how Oregon used the resource to inform its VBP strategic design considerations and how it will continue to be used by the state to help meet its long-term VBP goals
- Understand the methodology for developing the resource
- Learn how your-state can use this tool to examine changes in Medicaid expenditures for various VBP approaches

Agenda

- Welcome and introductions
- IAP technical support and Oregon's goals
- Demonstration of the technical resource
- Q&A
- Oregon's experiences using the tool
- Q&A

Presenters

- Scott Leitz, Senior Fellow, NORC at the University of Chicago
- Justin Timbie, Senior Health Policy Researcher, RAND
- Zachary Goldman, Economic Policy Advisor, Oregon Health Authority

IAP Technical Support and Oregon's Goal

Medicaid Innovation Accelerator Program (IAP)

- Commitment by the Centers for Medicare & Medicaid Services (CMS) to build state capacity and support ongoing innovation in Medicaid through targeted technical support*
- The IAP goal is to increase the number of states moving towards delivery system reform across program priorities
- Not a grant program; targeted technical support

*IAP refers to *technical support* as support, program support, or technical assistance.

Medicaid Delivery System Reform

PROGRAM AREAS

Improving Care for Medicaid Beneficiaries with Complex Care Needs and High Costs

Promoting Community Integration Through Long-Term Services and Supports

Supporting Physical and Mental Health Integration

Reducing Substance Use Disorders

Functional Areas

- Data Analytics
- Quality Measurement
- Performance Improvement
- Value-Based Payment and Financial Simulations

Oregon's Request for Technical Support Under the Medicaid IAP

- Request 1: Technical support developing a standardized set of definitions for VBP and creating a VBP roadmap
- Request 2: Technical support identifying contracting levers Oregon can use to encourage the uptake of VBP models among behavioral health providers as well as the use of approaches to address social determinants of health
- Request 3: Technical support conducting financial simulation analyses to assess the potential impact of Oregon's approach to its VBP requirements on both cost and quality

Participant Question

Has your state used data to assess the potential impact of a VBP approach or arrangement on key outcomes of interest, such as Medicaid cost savings?

1. Yes
2. No
3. Unsure

Demonstration of the Technical Resource: How Oregon and Other States Can Use It

Methodology for Developing the Resource

- Step 1: Develop, review and finalize the analytic plan
- Step 2: Determine the data which are both available and would be needed to conduct the analysis
 - Financial data: Number of member months, Medicaid enrollment, per member per month payments and annual member expenditures
 - VBP evidence data: IAP technical support team reviewed 54 articles, extracting estimates of impacts on cost
- Step 3: Build an Excel-based template that used these data to estimate payment changes from applying VBP approaches

Outline of the Technical Resource

- **Instructional tabs** (3 tabs)
 - Background
 - Readme
 - Description of variables
- **Data tabs** (5 tabs)
 - Oregon Coordinate Care Organization (CCO) enrollment and payment data
 - Growth rate data
 - VBP evidence data and sources
- **VBP estimation tab** (1 tab)

Questions



Oregon's Experiences Using the Resource

Using the VBP Technical Resource to Strategically Approach VBP Selection

- Oregon sought a dynamic method to examine the potential impact of VBP approaches on CCO costs for informing CCO contract discussion and for stakeholder engagement
- A flexible and easy to use simulation resource that would account for both metro and rural CCOs
- The VBP evidence collected for the technical resource was helpful for examining the potential impacts of multiple and diverse VBP approaches

Using the VBP Technical Resource to Strategically Approach VBP Selection (continued)

- Resource will allow the new class of CCOs (CCO 2.0) to simulate the impact of VBP approaches on cost and quality
 - Strategically approach meeting a 2024 VBP target
- Resource is flexible and can be easily modified to meet other states Medicaid agency needs
- Lessons learned:
 - Involve users of technical resource earlier in development process
 - Adjust the timing of general VBP guidance and delivery of the technical resource to maximize usefulness

Questions



Key Takeaways

- The resource developed for Oregon used aggregate data from Oregon's CCOs and VBP evidence estimates to forecast changes in state payments following the implementation of particular VBP approaches
- The resource was used by Oregon to examine the potential impact of various VBP approaches on cost and quality and will help CCOs meet 2024 VBP targets
- Other states can modify the design of the resource and incorporate their own data to help better understand the potential impact of VBP approaches on Medicaid expenditures

Thank You for Joining Today's Webinar!

We hope to see you for the following Medicaid IAP VBP Webinars:

Insights and Key Considerations for Implementing Value-Based Payment in Children's Oral Health

Tuesday, August 27, 2019 from 2:00 PM to 3:15 PM ET

Key Lessons Learned in Transitioning to Value-Based Payment to Improve Maternal and Infant Health Outcomes

Thursday, September 5, 2019 from 3:00 PM to 4:30 PM ET

Please take a moment to complete a short feedback survey.