Maternity Bundled Payment Pilot Program

Presentation to the Medical Services Board

03/13/2020
Today’s Agenda

1. Bundled Payments Background
2. Overview of the Pilot Program
3. Implementation Timeline
The Basics of Bundled Payments

What is a bundled payment?

A single, comprehensive budget to cover the complete set of services provided to a patient by multiple providers throughout a given episode of care.

What is an episode of care?

A set of services provided for a specific medical condition or illness during a defined time period.

What if care costs are different than the budgeted amount?

If care costs are lower than the budgeted amount, providers may share in the savings generated. If costs are greater than the budgeted amount, providers may incur a penalty.
Why Bundled Payments?

Benefits

- Incentivize:
  - Care coordination
  - Patient-centered care
  - Provider accountability
- Utilize existing fee-for-service infrastructure (e.g., claims data)
- Payment tied to total cost of care for an episode
- Engage specialty care

Considerations

- Episodes of care must be clearly defined
- Risk adjustment for patients with complicated cases must be considered
- Quality metrics must be tied to payment

Background | Overview | Timeline
Who Is Using Bundled Payments?

Nationally: Medicare (35+ episode types), Medicaid (Arkansas, Tennessee, Ohio), private payers, and employer-sponsored health plans

Colorado: 29% of hospitals participate in a bundled payment model (Medicare and private payers)

Source: American Hospital Association
Why Focus on Maternity Care?

Health First Colorado covers more than 40% of births in the state.

Bundled payments for maternity care have been shown to improve quality while effectively managing costs.

Source: Health Care Transformation Task Force
Overview of the Pilot Program

Voluntary Participation: Limited to obstetrician groups that have a minimum delivery volume of 500 Medicaid-covered births per state fiscal year for the last two years.

Prenatal, Delivery, and Postpartum Care: The episode of care will be retrospectively calculated based on delivery (includes 40 weeks prior and 60 days after).

Multi-Year Pilot

*Year One*: Upside Risk Only.

*Year Two*: Downside Risk Introduced.
Colorado Bundle Design

**Episode Begin**
40 weeks prior to delivery, or pregnancy diagnosis

**Birth**
Post 37 weeks for low-risk pregnancies

**Episode Close**
~60 days post-birth

**Episode Duration**
- **Prenatal**
  - 40 weeks
- **Labor & Birth**
  - 2-10 Days
- **Postpartum**
  - ~60 Days (Mother)

**Example Services**
- **Prenatal**
  - Prenatal office visits
  - Routine ultrasounds
  - Blood testing
  - Diabetes testing
  - Genetic testing
- **Labor & Birth**
  - Admission to hospital
  - Labor
  - Delivery
- **Postpartum**
  - Postpartum office visits
  - Breastfeeding support
  - Depression screening
  - Contraceptive planning

**Note:** Neonatal care is not included in the episode

Background | Overview | Timeline
Incentive Payments

If average cost above acceptable, penalty starting in Year 2

If average cost between acceptable and commendable, no change in payment

If average cost below commendable and quality metrics met, shared savings at 50%

Scenario #1
Scenario #2
Scenario #3

AVERAGE COST PER EPISODE

ACCEPTABLE THRESHOLD

COMMENDABLE THRESHOLD

Background | Overview | Timeline
Implementation Roadmap (CY)

Budgetary Action
Q2 2019
Status: Complete

Design Program
Q3 – Q4 2019
Status: Complete

Determine Federal Authority
Q4 2019
Status: Complete

Finalize SPA and Rule Making
Q1 2020
Status: In Progress

Provide Technical Support to Bundle Participants
July 2020 – July 2021

Implement Bundled Payment
July 1, 2020

Final Participants
Q2 2020
Status: In Progress

Stakeholder Engagement
Q1 2020 – Q2 2020
Status: In Progress

Quality Reporting and Data Analysis
March 2021 – July 2021

Reconcile Bundle
July 2021

Lessons Learned and Modifications to Bundle
Q3 2021

Program Updates and Expansion
Q3 2021
Thank you!

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Provider Threshold Calculations

- **ACCEPTABLE THRESHOLD**: Set at the average historical cost per episode, after exclusions.
- **COMMENDABLE THRESHOLD**: Set below the average historical cost per episode.

*Background* | *Overview* | *Timeline*
Focus on Substance Use Disorder

The Department will calculate two sets of Thresholds for each participating provider:

1. The first set will be calculated based on historical spending for episodes which contain a flag of substance use disorder.

2. The second set will be calculated based on historical spending for episodes which do not contain a flag of substance use disorder.
Which Cases Are Included?

All episodes ending within a performance period (state fiscal year) are identified for each Principal Accountable Provider (PAP).

Total reimbursement for each episode is calculated based on related covered services delivered during the duration of each episode.

The Department is not excluding any high-risk episodes based on clinical criteria.
## Which Cases Are Excluded?

### Business Exclusions

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<thead>
<tr>
<th>Exclusion</th>
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<tbody>
<tr>
<td>Dual Eligible</td>
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<tr>
<td>Third Party Liability On Claim</td>
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<tr>
<td>Principal Accountable Provider Provided No Prenatal Services</td>
</tr>
<tr>
<td>Patient Expired</td>
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<tr>
<td>Incomplete Episode Claims</td>
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<tr>
<td>No Professional Claim for Delivery</td>
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### Other Exclusions

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<tr>
<th>Exclusion</th>
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<tbody>
<tr>
<td>High Cost Outliers</td>
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<tr>
<td>Costs Not Attributable to the Episode</td>
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Which Quality Measures Are Included?

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<tr>
<th>Proposed Quality Measures</th>
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<tbody>
<tr>
<td>HIV Screenings</td>
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<tr>
<td>Group B Strep Screenings</td>
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<tr>
<td>Elective C-Sections</td>
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<tr>
<td>Behavioral Health Risk Assessment</td>
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<tr>
<td>Postpartum Depression Screenings</td>
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<td>Gestational Diabetes Screenings</td>
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<tr>
<td>Contraception Care</td>
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<tr>
<td>Tdap Vaccines</td>
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<tr>
<td>Flu Vaccines</td>
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