



PAYMENT REFORM

Patient Centered Care
Quality Outcomes

WHAT - WHY - WHEN

- ⊙ Payment Reform is a primary focus of Health Care Reform
- ⊙ Achieve the “Triple Aim”
- ⊙ Seeking to pay for Quality not Quantity
- ⊙ Already underway
 - PQRI/PQRS Penalties
 - Medi-Cal Managed Care throughout the state
 - PCMH/PCHH Initiatives
 - ACO's

TRIPLE AIM



TOPICS FOR TODAY

- ⊙ Medicare FQHC sites - PPS Rate Changing
 - PPS Rate program is final
 - Comment period for the new G-Codes
 - Comment period for influence of PCMH/PCHH

- ⊙ Medicare Part B sites - PQRI/PQRS

- ⊙ Medi-Cal – FQHC possibilities
 - Not final yet
 - These are overviews of plans being discussed
 - From Volume to Value

ANNUAL SERVING OF ALPHABET SOUP

- Medicare FQHC PPS Rate
 - PPS
 - New G-Codes FQHC Bundle
 - IPPE, AWW

- Medicare Part B (FFS) - PQRS/PQRI

- Medi-Cal
 - SB1081 – Capitation & Flexible Care
 - RMCMP - PMPM
 - Wrap Cap - PMPM
 - SHCIP/CalSIM – PCMH/PCHH

- PCMH/PCHH

Medicare FQHC Sites

PPS

MEDICARE FQHC PPS RATE

- ⦿ Affordable Care Act – Key Requirements for the FQHC PPS
- ⦿ May 2, 2014 – CMS published final rule for Medicare PPS for FQHCs
- ⦿ Payment Rate and Adjustments
 - Geographic Adjustment
 - New Patient, IPPE, AWW Adjustments
 - Use of G Codes
 - Care Coordination
- ⦿ Annual Rate Update

THE RATE

- ⦿ The final rate is **\$158.85**
 - **$\$158.85 \times \text{GAF} \times 1.3416$**
- ⦿ The final adjustment is **34% for new patients, IPPE, initial and subsequent AWW**
- ⦿ Medicare payment for FQHC services must be **80% of the lesser of the actual charge or the PPS amount**
- ⦿ For Medicare Advantage Wrap-around the wrap-around payment is based on the difference between the PPS rate and the MA contracted rate

CALIFORNIA

$\$158.85 * GAF * 1.3416$

Location	2014 GAF	2014 Rate	2015 GAF	2015 Rate
Anaheim/Santa Ana	1.123	\$239.33	1.120	\$238.69
Los Angeles	1.096	\$233.57	1.100	\$234.42
Marin/Napa/Solano	1.154	\$245.93	1.165	\$248.28
Oakland/Berkeley	1.152	\$245.51	1.154	\$245.93
San Francisco	1.216	\$259.15	1.224	\$260.85
San Mateo	1.210	\$257.87	1.216	\$259.15
Santa Clara	1.204	\$256.59	1.209	\$257.65
Ventura	1.105	\$235.49	1.100	\$234.42
Rest of California	1.053	\$224.41	1.053	\$224.41

This is the best estimate I can provide at this time.

FQHC BUNDLE

Payment Codes – FQHCs will be required to use new payment codes (“G-codes”) to bill for a FQHC visit, reflecting the sum of the regular rates charged for a **typical bundle of services that would be furnished per diem to a Medicare beneficiary**

5 new G codes:

G0466 - FQHC visit, new patient

G0467 - FQHC visit, established patient

G0468 - FQHC visit, IPPE or AWW

G0469 - FQHC visit, mental health, new patient

G0470 - FQHC visit, mental health, established patient

Comments sought on G codes

THE TOUGH PART...

Payment to be determined by the MAC based on the lesser of the FQHC's charge for the payment code or applicable PPS rate

RATE INCREASES

- ⦿ After the first year of implementation, the PPS payment rates must be increased by the percentage increase in the Medicare Economic Index (known as the MEI)
- ⦿ After the second year of implementation, PPS rates must be increased by either the MEI or a market basket of FQHC goods and services

CONVERT TO THE NEW PPS RATE

Cost Report	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sept 2015
Jan 1												
Feb 1												
Mar 1												
Apr 1												
May 1												
Jun 1												
Jul 1												
Aug 1												
Sept 1												
Oct 1												
Nov 1												
Dec 1												

You convert at the beginning of your cost report period following 10/01/2014.

CMS will be hosting a National Provider Call on Wednesday, May 21, 12:30 – 2:30 p.m. ET, to review the final policies for the new Medicare PPS for FQHCs.

Details about the call, including a slide presentation, are available at

<http://www.cms.gov/Outreach-and-Education/Outreach/NPC/National-Provider-Calls-and-Events-Items/2014-05-21-FQHC.html>.

KEY POINTS OF MEDICARE PPS

- ⦿ Medicare FQHC rates will change with your first cost report period following 10/01/14
- ⦿ “Lesser of”
- ⦿ New FQHC bundle codes in comment period
- ⦿ Care Coordination (PCMH/PCHH) influence in comment period

Medicare Part B (not billing FQHC) Sites

PQRS - PQRI

PQRI-PQRS

What Is the Physician Quality Reporting Incentive Payment?

Eligible professionals and group practices who satisfactorily report quality measures may receive an incentive payment based on a percentage of their total estimated Medicare PFS allowed charges processed no later than 2 months after the end of the reporting period (i.e., by the last Friday in February).

Negative payment adjustments will apply for those eligible professionals and group practices who do not report quality measures beginning in 2015. The percentage varies by year:

2011	Incentive payment = 1.0% of total estimated Medicare PFS allowed charges
2012	Incentive payment = 0.5% of total estimated Medicare PFS allowed charges
2013	Incentive payment = 0.5% of total estimated Medicare PFS allowed charges
2014	Incentive payment = 0.5% of total estimated Medicare PFS allowed charges
2015	Negative adjustment = 1.5% of total estimated Medicare PFS allowed charges
2016+	Negative adjustment = 2.0% of total estimated Medicare PFS allowed charges

ELIGIBLE BUT NOT ABLE TO PARTICIPATE

Services payable under fee schedules or methodologies other than the PFS are not included in PQRS (for example, services provided in **federally qualified health centers**, independent diagnostic testing facilities, independent laboratories, hospitals [including method I critical access hospitals], rural health clinics, ambulance providers, and ambulatory surgery center facilities).

Medi-Cal Options for Payment Reform

MEDI-CAL

MEDI-CAL

- ⦿ This is for Medi-Cal FQHC sites.
- ⦿ I am sorry I don't have any information for the MOA participating programs at this time.
- ⦿ Resources CPCA and DHHS
- ⦿ Medi-Cal Payment Reform models are in development

BRIDGE TO REFORM

- On June 3, 2010 the State submitted a section 1115 Demonstration proposal as a bridge toward full health care reform implementation in 2014
- 5 year agreement between CA and Fed
 - LIHP - Low Income Health Program
 - DSRIP - Delivery System Reform Incentive Program - P4P

Phase 1 2015-2017		SB1081 "Capitation" Hernandez		California State Innovation Model (CalSIM)	Section 2703 "SPA for Health Homes"
RMCMIIP (Rural Managed Care Model Improvement Program)	Wrap Cap	PMPM	Health Plans pay FQHCs PMPM	State Health Care Innovation Plan (SCHIP)	Supplemental funding for care coordination; Health Home services
Rural Areas	Urban Areas	Rural Areas	Urban Areas	Statewide	Statewide
Health plans pay clinics PPS rates	State pays FQHC PMPM	PMPM	Health Plans pay FQHC PMPM	\$2.7M Federal grant to improve health care quality and reward value vs volume by changing payment structures	90% fed match; 10% state contribution
Phase 2 2018+		Start Date 2016 3 year program			California Endowment agreed to fund the state's 10%
PMPM	Health Plans pay FQHC PMPM				After 8 quarters the state has option to fund 50% or end the program

QUICK TAKE AWAY'S....

1. PCMH/PCHH is definite
2. PMPM/Capitation is likely
3. State is likely to exit the payment business
4. Good relationship with Medi-Cal managed care (health plan) will be useful
5. Contract negotiation skills
6. FQHC "competition or coordination" for enrollees is upon us

CPCA RESOURCES

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Patient Centered Medical Home
Patient Centered Health Home

PCMH - PCHH

NCQA

6 Standards

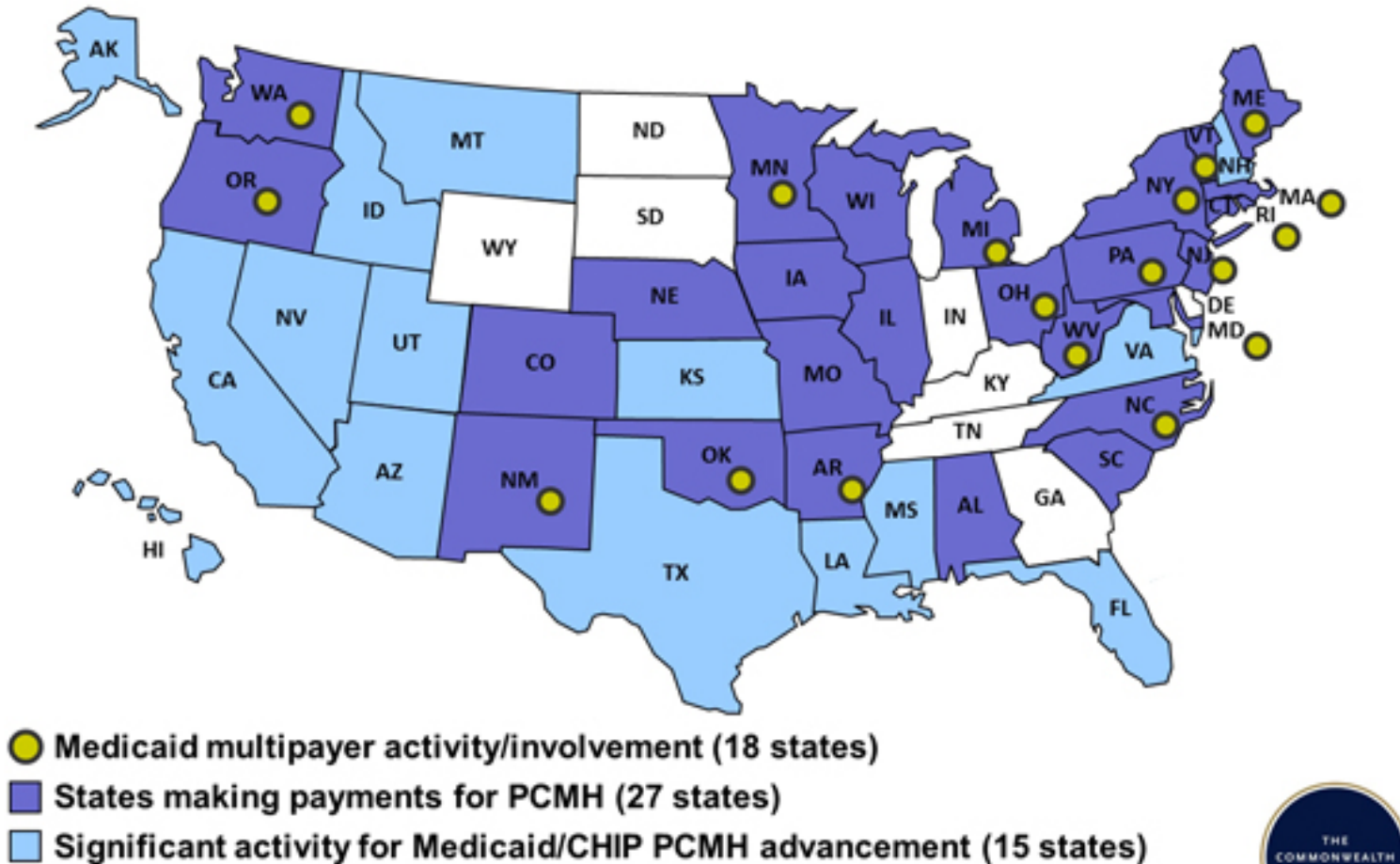
1. Access and Continuity
2. Identify and Manage Patient Populations
3. Plan and Manage Care
4. Provide Self Care Support and Community Resources
5. Track and Coordinate Care
6. Measure and Improve Performance

Other CA sites are pursuing recognition through AAAHC and JCAHO.

MEDICAID HEALTH HOMES

Overview of Medicaid Medical Home Activity

42 State Medicaid/CHIP Programs Planning/Implementing PCMH
27 Making Medical Home Payments, 18 Involved in Multipayer Pilots



HEALTH HOME FOCUS IN CA

- Defined chronic conditions (state's choose)
 - a mental health condition,
 - a substance use disorder,
 - asthma,
 - diabetes,
 - heart disease,
 - overweight
 - other chronic conditions (subject to CMS approval)
- CPCA PCHH workgroup defined “other” conditions
- HIV, Hepatitis, chronic liver disease, chronic kidney disease

UNIQUE STRENGTHS & WEAKNESSES OF INDIAN HEALTH CENTERS

- ◉ GPRA population management skills and tools
- ◉ IPC principles of access and care teams
- ◉ Referral Management
- ◉ iCare
- ◉ Universal delivery and tracking of services

MAKE A PLAN TO SURVIVE

PAYMENT REFORM

1. Pursue PCMH Recognition
2. Participate in consortia
3. Prepare for Medicare PPS Rate
4. PMPM Medi-Cal FQHC Rate is likely
5. Know your competition (M-Cal FQHC programs)
6. Get your ICD-10-CM on and advocate for recognition of impact of social determinants of health in outcome based medicine.

DISCLAIMER

- ⦿ These slides are to familiarize fellow Indian Health Clinics with changes underway in Payment Reform that may affect them.
- ⦿ This is not intended to be an all inclusive representation of payment reform.
- ⦿ Every reasonable effort has been made to ensure the accuracy of the content. There is no guarantee, warranty or representation that is without error.