

What State Advocates Should to Know: CMS' New AHEAD Model

March 6, 2024



Agenda

- ★ Welcome
- ★ Importance of Patient First Care
- ★ Findings: What We've Learned About People's Experiences with Patient First Care
- ★ Overview of the AHEAD Model
- ★ Benefits for States
- ★ Considerations for Advocacy
- ★ Q&A



Today's Speakers



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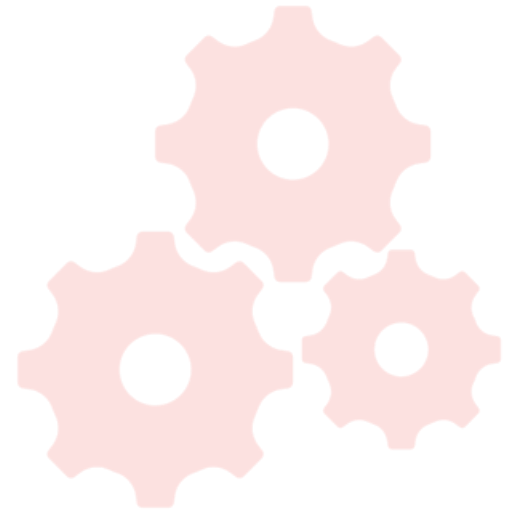
**Findings: What We've Learned
About People's Experiences
with Patient First Care**



Key Findings: Current Experiences & Desires

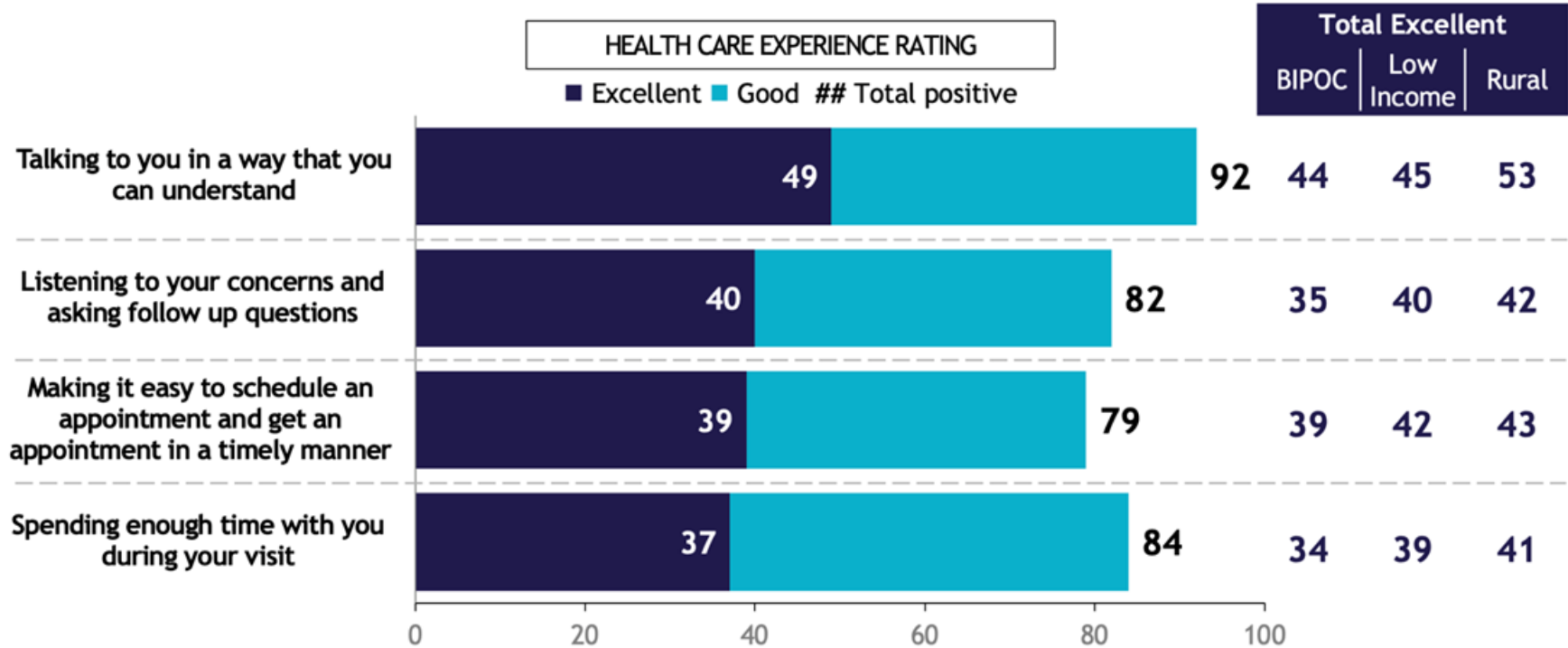
“In school, you have a school cafeteria in the lunchroom. Like you go through [the line] - you like green beans? Green beans and peas. And you like chicken? You pick, [you have to] say something fast - it gets you out of the the way. So when they talk to you, it's like two or three minutes and on to the next person...”

- Low income participant who has had mostly negative experience receiving healthcare



Key Findings: Current Experience & Desires

Having a good experience and feeling “satisfied” doesn’t mean people don’t desire improvements.



Previous research shows that being “satisfied” is relative and largely based on a fear that people could be worse off. It does not reflect a typical definition of “satisfied.”

People's Current Experiences Getting Care

Criticisms associated with the fee-for-service system raised by participants:

- ★ Fee-for service is **fragmented**, with little coordination between providers.
 - ★ People may have to rehash their latest health challenges to each provider, sometimes getting conflicting advice.
- ★ Patients spend **too much time waiting** for appointments than with their doctors.
 - ★ Ultimately, some feel they spend more time in the system because they aren't able to address all their issues in one appointment & have to make another one.
- ★ Providers over-rely on prescription drugs as the easiest path.
- ★ People with money are prioritized when getting appointments and care.



Key Findings: Current Experience & Desires

People's Desires for the Health Care System

- ★ Increased quality across the system through a more human approach
- ★ Having their providers genuinely care about them
- ★ Having their providers treat them like a whole person
- ★ Having their providers listen attentively
- ★ Addressing the root causes of their problems

A **better system** isn't just one where people get in to see their doctor faster, but one where people feel their **providers can address all their issues in the time they need.**

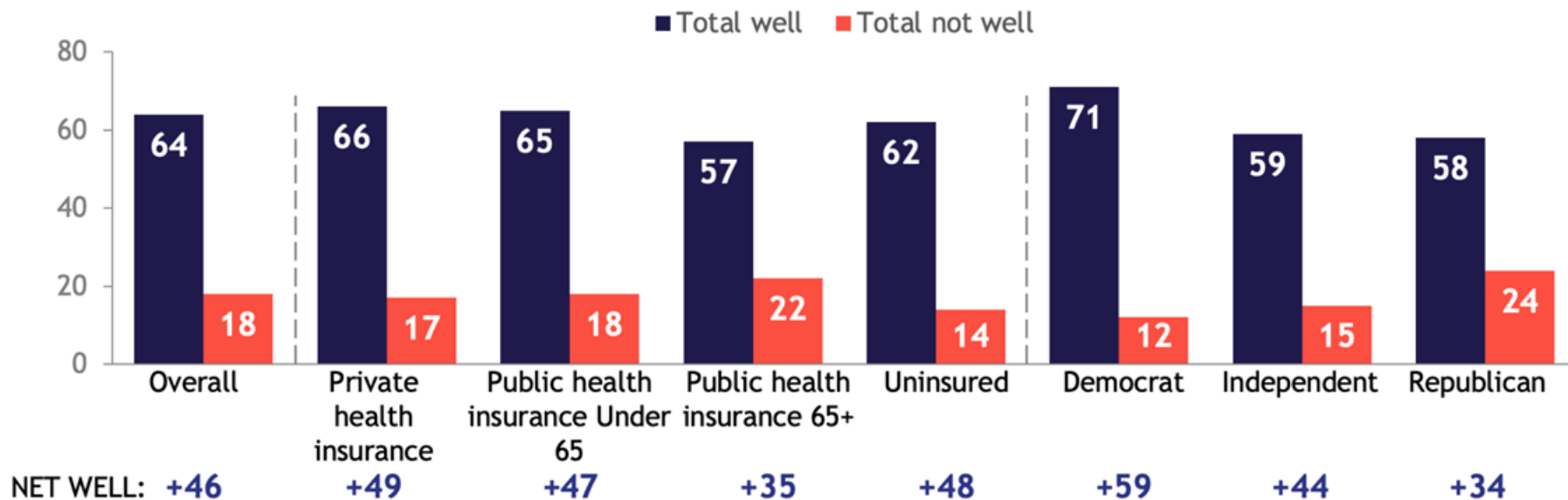


The slide features a decorative border of stars in red, teal, and dark blue. A large teal star is prominent in the top right, and a large red star is in the top left. Smaller stars of all three colors are scattered throughout the corners and sides.

The Prompt

“Some people have proposed changing the current fee for service approach to one that would pay doctors & providers for improving overall health, delivering higher quality care, and helping coordinate their patients’ care.”

Initial Reactions to a Value-Based Care Concept



By a wide margin, voters think an approach to pay providers for improving overall health, delivering high-quality care, & helping coordinate care would be better.

People Want Better Care & Better Incentives for Providers

Clear Connection to the Experience People *Want* to Have

“There would be more incentive to actually care about our **quality** of life and see us as people not just a profit.”



66%

participants agree

“It would incentivize providers to focus on **quality of care vs quantity of patients.**”



62%

participants agree

“It would focus on delivering tangible results. In other words, **quality over quantity** of patients.”



63%

participants agree

“It would incentivize them to provide **better care** and treat us like we are real people.”



62%

participants agree

States Advancing All-Payer Health Equity Approaches and Development (AHEAD): Model Overview

Center for Medicare and Medicaid Innovation
March 6, 2024

AHEAD Model Goals

**IMPROVE
POPULATION
HEALTH**



**ADVANCE
HEALTH EQUITY**



**CURB
HEALTHCARE
COST GROWTH**



AHEAD Model At-A-Glance

The AHEAD Model is a flexible framework that can be adapted to each state's unique context to achieve their defined health outcome and cost goals.

Statewide Accountability Targets

Primary Care Investment (Medicare & All-Payer)
Equity and Population Health Outcomes via State Agreements with CMS
Total Cost of Care Growth (Medicare & All-Payer)

Components



Cooperative Agreement Funding



Hospital Global Budgets (facility services)



Primary Care AHEAD

Strategies

Equity
Integrated
Across Model

Behavioral
Health
Integration

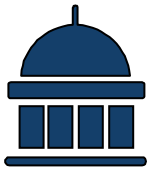
All-Payer
Approach

Medicaid
Alignment

Accelerating
Existing State
Innovations

AHEAD Model Eligibility Criteria

States



- All 50 US states, territories, and Washington, DC will be eligible to apply to participate in AHEAD.
- States should engage multiple state agencies to support AHEAD goals and activities.
- States can choose which state agency should apply to the Notice of Funding Opportunity (NOFO) (e.g., state Medicaid agency, public health agency, insurance agency). State Medicaid agencies must be the recipient or sub-recipient of the funding.
- States may apply to participate at the state level or designate a sub-state region, subject to CMS approval.
- At least 10,000 Medicare Fee for Service (FFS) beneficiaries with Part A and B must reside in the applicant state or sub-state region.
- A maximum of eight states or sub-state regions will be selected.

Additional information about the participation requirements is available in the NOFO.

Model Participant Roles



States

- Establish model governance
- Set all-payer cost growth targets
- Increase primary care investment
- Implement health equity plan
- Design Medicaid hospital global budgets
- Facilitate multi-payer alignment



Hospitals

- Can participate in hospital global budgets, transform care and improve population health and identify efficiencies
- Pursue opportunities for quality improvement (e.g., CMS hospital quality programs and other metrics)
- Create hospital health equity plans to reduce disparities in care and outcomes in the hospital and within the community



Primary Care Practices

- Can participate in Medicaid transformation efforts and Primary Care AHEAD for Medicare FFS
- Meet care transformation requirements for person-centered care
- Pursue opportunities for quality improvement and improved care coordination



Payers

- Contribute to the All-Payer Growth Target and All-Payer Primary Care Investment Targets
- Participate as an aligned payer in hospital global budgets and primary care transformation

The Model Governance Structure and other partners also play a key role in implementation of this model.

Model Governance Structure

Each participating state will establish a multi-sector model governance structure. This body must have a **formal role** in model implementation, which could be advisory. States can build on pre-existing workgroups or boards to meet this requirement.



Governance Representation

Required:

- Patients and/or advocacy organizations
- Community-based organizations
- Payers (including commercial, Medicaid managed care, and Medicare Advantage)
- Provider organizations, including hospitals, primary care, FQHCs, and behavioral health
- Local tribal communities (where applicable)
- State Medicaid Agencies
- State and Territorial Public Health Agencies

Optional: State cost commissions, divisions of insurance, other relevant state agencies, and additional partners



Governance Role

Required:

- Develop Statewide Health Equity Plan and provide input on State Quality and Equity Targets
- Review and support of hospital health equity plans
- Input on Cooperative Agreement investment

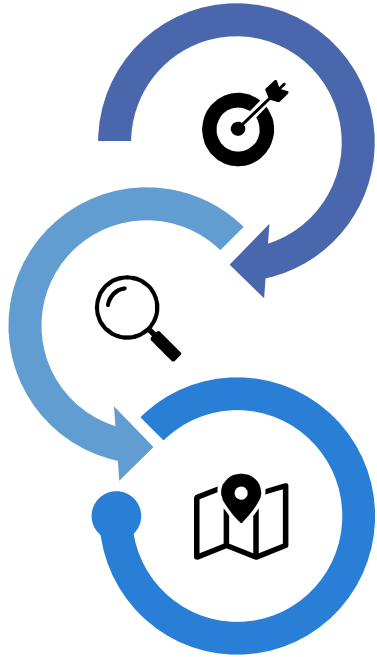
Optional:

- Review state-designed Medicare FFS HGB methodology
- Review of Medicaid and commercial HGB methodologies
- Support activities to achieve other statewide targets

Statewide Targets

Statewide Targets At-A-Glance

Participating states take on accountability for quality, costs, and outcomes for a defined sub-state region or statewide. These targets are memorialized in the State Agreement between the state and CMS.



Improving population health and advancing health equity by reducing disparities in health outcomes

- Medicare FFS Primary Care Investment Target
- All-Payer Primary Care Investment Target
- Statewide Quality and Equity Targets (Medicare FFS and All-Payer)

Curbing health care cost growth






- Medicare FFS Total Cost of Care Targets
- All-Payer Cost Growth Targets

Targets are measured for residents within the defined region.

All-Payer Targets must be memorialized in state legislation or Executive Order.

Statewide Quality and Health Equity Targets

The AHEAD Model aims to advance health equity in alignment with the CMS Framework for Health Equity. The AHEAD Model Health Equity Strategy is inclusive of the following elements:

-  **Develop State Health Equity Plan & Quality Targets** for participating states, which will inform statewide equity strategies and support quality improvement.
-  **Enhance Partnerships between State, Providers, and the Community** to meet model goals.
-  **Increase Safety Net Provider Recruitment** among hospitals and primary care providers in the AHEAD Model to reach vulnerable populations.
-  **Use Social Risk Adjustment** of provider payments to increase resources available to care for vulnerable populations.
-  **Utilize Health Related Social Needs Screening Among Hospitals and Primary Care Providers** to identify unmet needs and connect patients to community resources.

Hospital Global Budgets

Hospital Global Budget Value Proposition

The AHEAD Model aims to rebalance health care spending across the system, with hospitals working with primary care and community-based providers to reduce potentially avoidable utilization.

WHAT IS A HOSPITAL GLOBAL BUDGET?



A fixed, prospectively set amount of annual revenue to a hospital for selected Medicare Part A and outpatient facility services covered under Part B. Under AHEAD, Hospital Global Budget amounts will be paid by Medicare to participating hospitals in the form of prospective, bi-weekly payments in place of traditional Medicare FFS claims. Professional services rendered in a hospital setting are excluded.

Incentives for Hospital Participation



Initial investment to support transformation in early years of the model



Increased financial stability and predictability



Ability to share in savings from reduced potentially avoidable utilization and more efficient care delivery



Opportunity to earn upside dollars for improving health equity and quality while contributing to population health in their community



Potential use of waivers to support care delivery transformation



Opportunity to participate in system learning opportunities when moving to a population-based payment

Provider Types Eligible to Participate in Medicare HGBs



Acute Care Hospitals

- Broadly, many different types of PPS hospitals are eligible, including Medicare-Dependent Hospitals; Rural Referral Center Program Hospitals; Sole Community Hospitals; Tribal Hospitals; and Indian Health Service Hospitals.



Critical Access Hospitals

- CAHs are eligible to participate and if they choose to participate in AHEAD, they will no longer be reconciled back to 101% of reasonable costs as part of their cost reporting.

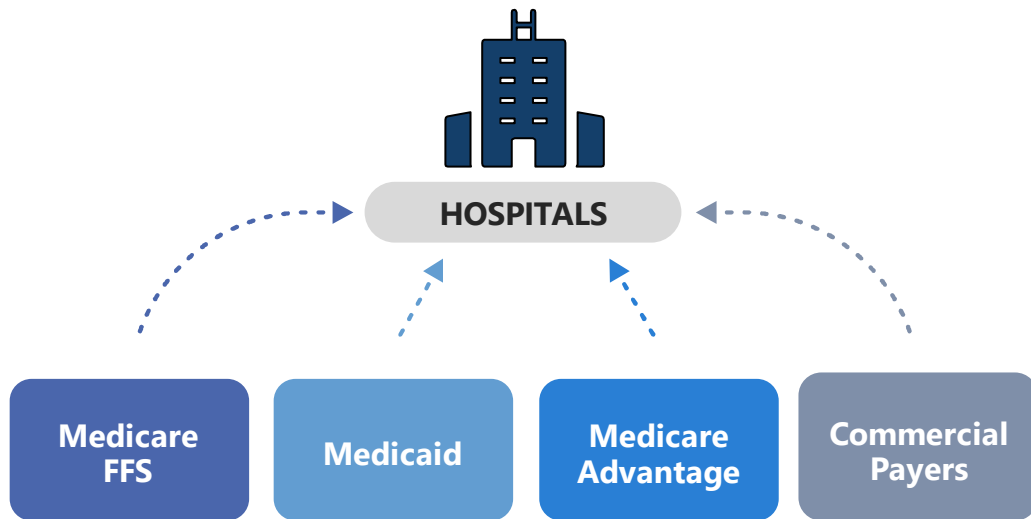


Rural Emergency Hospitals

- Medicare FFS payments that reflect unique payment methodologies for REH will be used to construct the baseline. Participating Hospitals that convert to REH during Model Performance Years will have the HGB reconstructed on a case-by-case basis. CMS will continue to develop a REH-specific HGB methodology for inclusions of additional considerations.

Hospital Global Budgets

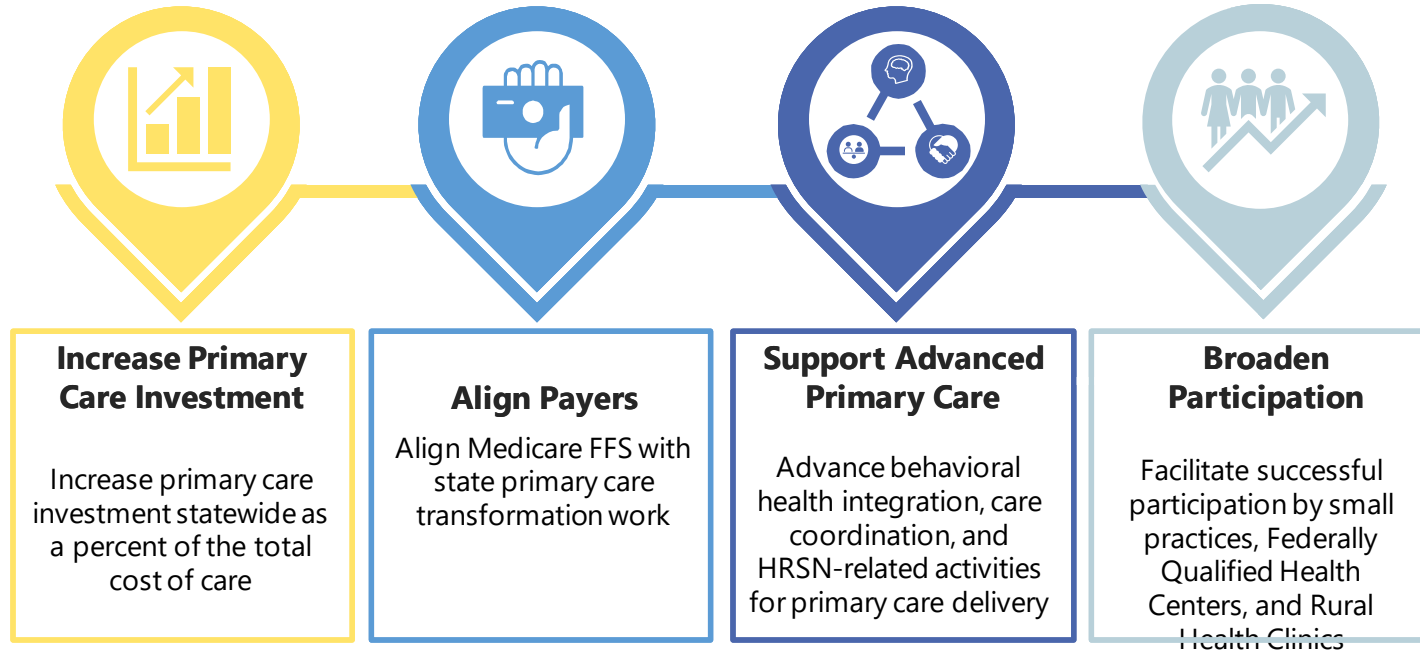
Hospital global budgets (HGB) will be the primary mechanism for achieving all-payer and Medicare FFS TCOC Targets, improving hospital quality, and helping to curb cost growth. Each participating payer provides a prospective HGB to the participating hospital for facility services. States without statewide rate-setting authority and experience in value-based care will use the CMS-designed Medicare FFS HGB methodology.



As a reminder, AHEAD States design the Medicaid, MA, and commercial payer methodology. CMCS and CMMI are committed to continued close partnership to assist states in the process of obtaining relevant authorities and designing Medicaid HGBs during Pre-Implementation Period. See NOFO, Appendices X and Appendix VIII for more information.

Primary Care AHEAD

Primary Care AHEAD Goals



CMMI has committed to introducing primary care tracks with additional risk/capitation in the future. Any future Primary Care AHEAD tracks will align with these program goals.

Primary Care AHEAD: Enhanced Primary Care Payment



Payment

The EPCP a participating practice receives is based on the number of attributed beneficiaries, with average \$17PBPM*, paid quarterly. A small portion of this payment (initially 5%) is at risk for quality performance.



Requirements

Participating practices will need to participate in Medicaid Patient-Centered Medical Homes or other primary care alternative payment model. Practices will also be expected to meet specific Care Transformation Requirements, which will be aligned across programs.



Potential Uses

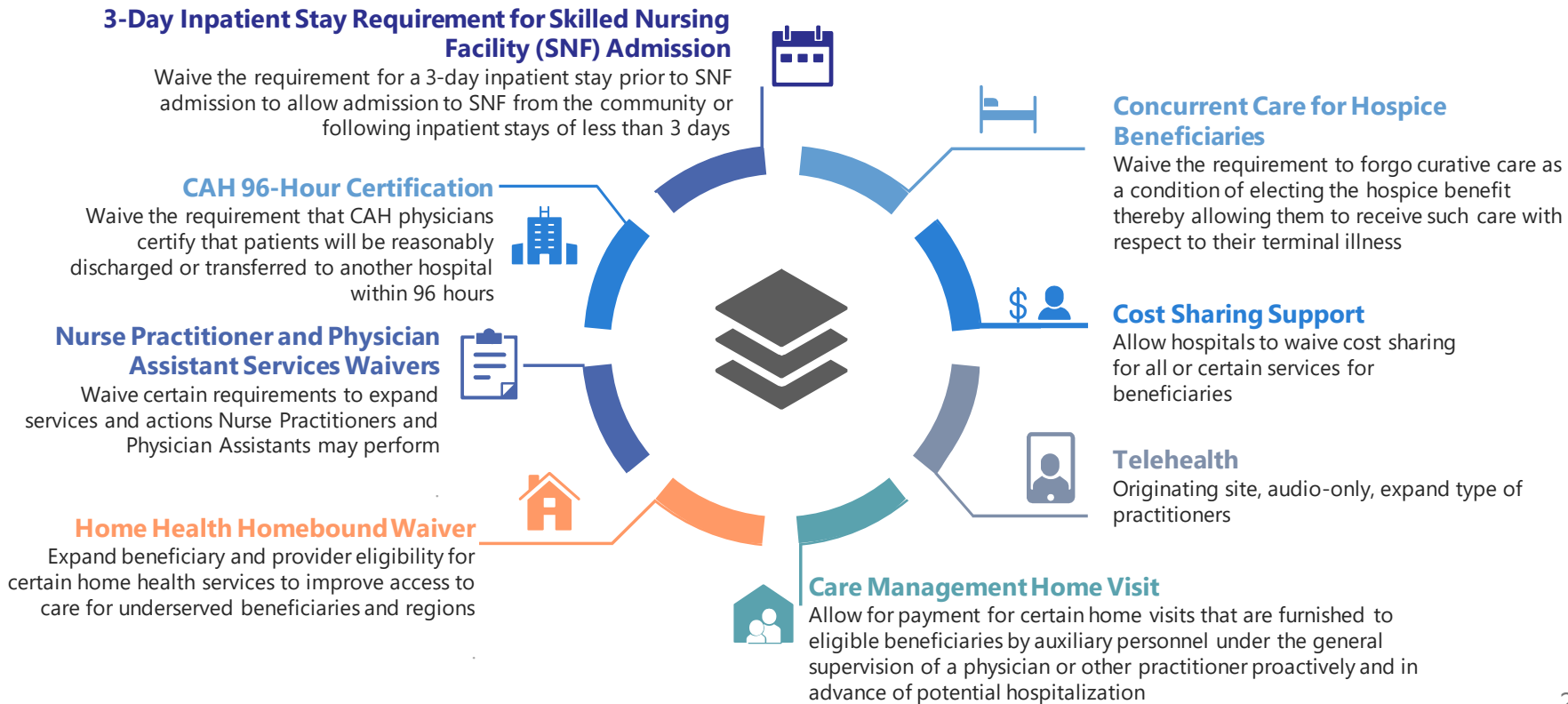
Practices can use the EPCP to invest in needed infrastructure and staffing to perform advanced primary care (e.g., hiring care coordinators, behavioral health staff, or community health workers).

A state may earn a higher PBPM based on hospital recruitment or state performance (up to \$21PBPM). The PBPM may also be lowered depending on state performance on hospital recruitment targets and/or state performance on targets (floor \$15PBPM).

Waivers

AHEAD Model Payment Waivers for Medicare Benefit Enhancements

To engage providers across the care continuum in patient-centered care, the Model is considering voluntary waivers for certain optional Medicare payment requirements to help test the model.

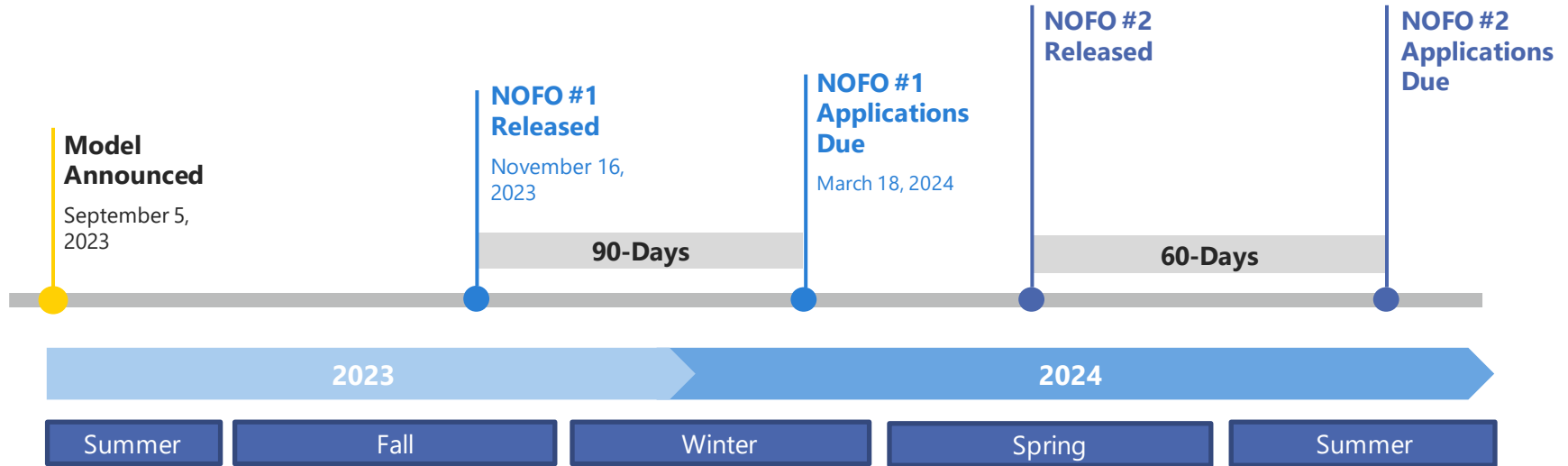


Cooperative Agreement and Model Timeline

Cooperative Agreement and Application Timeline

AHEAD anticipates awarding up to eight Cooperative Agreement (CoAg) awards of **up to \$12 million** each, pending federal availability of funds. CoAg funding may be used to support planning and implementation activities. Such activities may include engaging core stakeholders, setting TCOC growth and primary care investment targets, building behavioral health infrastructure and capacity, and supporting Medicaid and commercial payer alignment.

Interested organizations may prepare to apply to the AHEAD Model considering the timeline* outlined below.



*Specific dates will be released at a later time, and are subject to change.

Model Timeline

Model Timeline with Pre-Implementation and Performance Years

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Model Year (MY)		MY1	MY2	MY3	MY4	MY5	MY6	MY7	MY8	MY9	MY10	MY11	
1 st NOFO Application Period	Cohort 1*	NOFO	Pre-Implementation (18 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9
	Cohort 2		Pre-Implementation (30 mos)			PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
2 nd NOFO Application Period	Cohort 3	NOFO	Pre-Implementation (24 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	

If the Model is not expanded, CMS will offer two Transition Years to states and providers to allow for transition to another value-based care model or back to FFS.

*States in Cohort 1 may choose to move to Cohort 2 during the pre-implementation period, with CMS approval.

Summary and Resources

Benefits of State Participation in the AHEAD Model

States will benefit from a variety of tools as part of participation in the AHEAD Model:

- 1** | Levers to **improve population health, address health equity, and curb rising cost growth**
- 2** | Funding to support opportunities to **support Model planning and implementation activities**
- 3** | Alignment with Medicaid and increased investment in **advanced primary care**
- 4** | **Multi-payer alignment** to drive change more effectively
- 5** | Optional waivers under the model to provide **flexibilities to providers**



Improve Population Health



Advance Health Equity

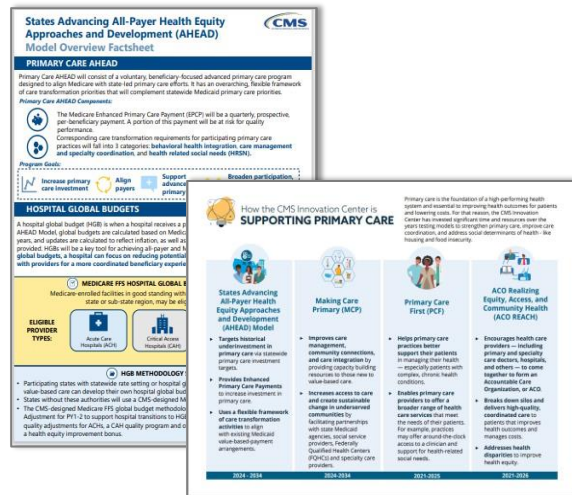


Curb Health Care Cost Growth

Model Resources

The AHEAD Model team has developed multiple resources to support Applicants, available via links below and the Model's webpage at <https://www.cms.gov/priorities/innovation/innovation-models/ahead>.

- [Model Overview Factsheet](#)
- [Hospital Global Budget Factsheet](#)
- [Hospital Global Budget Methodology](#)
- [AHEAD Overlaps Factsheet](#)
- [AHEAD Model Infographic](#)
- [Frequently Asked Questions](#)
- [CMS Innovation Center Primary Care Models Comparison](#)
- AHEAD Mailbox: AHEAD@cms.hhs.gov



All states interested in applying to participate in the AHEAD Model will submit applications through <http://grants.gov>. Stay tuned for upcoming events to learn more about the AHEAD Model!



Benefits and Considerations for State Advocates



Benefits of the AHEAD Model for People

People living or accessing care in participating states will benefit from several of the AHEAD Model's components.

1. Promoting person centered, whole person health care.
2. Improved health care quality and outcomes.
3. Stabilized health care service access.
4. Advancing health equity and addressing disparities.
5. Increased access to important services like behavioral health, preventative care, and chronic condition management.
6. Lower out of pocket costs.
7. Greater accountability for providers.



Role of State Advocates

Application Period	Implementation Period
<ul style="list-style-type: none">★Offering the patient perspective to regulators.★Identifying system reforms and associated infrastructure that can be leveraged to implement the AHEAD Model.★Highlighting the meaningful benefits of participating in the AHEAD Model on health care access, affordability, and equity with key stakeholders	<ul style="list-style-type: none">★ Uplift the patient experience and impact of AHEAD on health care access and affordability.★ Engage in agency processes to developing targets, metrics and report results of each component of the AHEAD Model.★ Defining what the most effective levers for states to implement to advance the AHEAD Model's goals.

Current State Efforts

States that have already implemented delivery system or payment transformations may be well poised to build upon these efforts with the AHEAD Model:

- ★ State primary care investment targets
- ★ Accountable care organization (ACO) or ECO Programs
- ★ Cost-growth benchmarks
- ★ Statewide rate setting
- ★ Public health insurance options
- ★ Health entity consolidation reforms and/or oversight
- ★ Medicaid payment incentive programs (pay for performance, MCO risk-sharing arrangements)



Vermont's Experiences and Lessons Learned in Health Care Reform

Pat Jones, Interim Director of Health Care Reform
Vermont Agency of Human Services

United States of Care Webinar on AHEAD Model for State Advocates
March 6, 2024

16 Years of Evolving Health Care Reform in Vermont in Partnership with CMS



2008 - Present

- *Vermont Blueprint for Health*
- Statewide integrated health services and advanced primary care model



2014 - 2016

- *Commercial & Medicaid Shared Savings Programs*
- Accountable Care Org. (ACO) model with cost and quality targets, upside only risk



2016 - Present

- *Vermont All-Payer Model Agreement with CMS*
- ACO model with Medicare participation, cost and quality targets, upside and downside risk



2014 - Present

- *Medicaid Payment Reform*
- Alternative payment models and value-based care for various Medicaid services

Health Care Reform and AHEAD

- AHEAD, or any single initiative or organization, can't solve all problems.
- Need a **multi-faceted approach** and to **work together** on common goals.
- AHEAD and other CMS models allow **Medicare to join** state efforts to address key challenges (e.g., affordability, access, quality, health equity, sustainability).
- Payment reform: one component of health care reform. Goal is for payment changes to support changes in how care is delivered, leading to **better health outcomes and population health**.
- **Care transformation** doesn't happen on its own. Need to be intentional in:
 - Designing care transformation initiatives to meet goals
 - Developing payment changes to support those initiatives

Key Opportunities in AHEAD

- State accountability for **total cost of care** (*affordability*), **primary care investment** (*access*), and **equity and population health outcomes** (*equity, quality*)
- Focus on fixed **hospital** payments and **primary care** enhanced payments (*affordability, access, quality*)
- **Health equity** considered central to the model (*equity, social determinants*)
- **Transformation** priorities:
 - Integrating mental health and substance use disorder treatment
 - Identifying and addressing health-related social needs
 - Improving coordination of care
- Broad representation in AHEAD **governance structure**

Role of Health Care Advocate

- **Engaged in:**
 - Policy development
 - Health insurer, hospital, and accountable care organization regulatory processes
 - Previous health care reform initiatives
 - Hospital Global Budget Technical Advisory Group
- **Providing feedback as Vermont considers AHEAD:**
 - Conduct impartial evaluation of current Vermont All-Payer model
 - Conduct cost/benefit analysis of AHEAD application and participation
 - Establish clear metrics for measuring performance (*affordability, access, quality*)
 - Provide tangible deliverables to Vermonters

Lessons Learned (and still being learned)

Despite complexity, need to be able to explain models to various audiences, including general public

Identify and focus on core goals and initiatives that address those goals

Critical to engage providers and individuals from across care settings and with different needs

Need for significant and intentional care transformation design and support

Importance of timely and actionable data for transformation, evaluation

Build in sufficient time and resources for implementation and ongoing operations

Balance innovation and progress with reducing administrative burden

Challenging to sustain participation, especially in current environment



Q&A





Thank You!



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