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

June 27, 2024

UNITED STATES of CARE

Today's Speakers

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Ask questions using the Q&A feature.

This webinar is being recorded.

Closed captioning is available.

Agenda

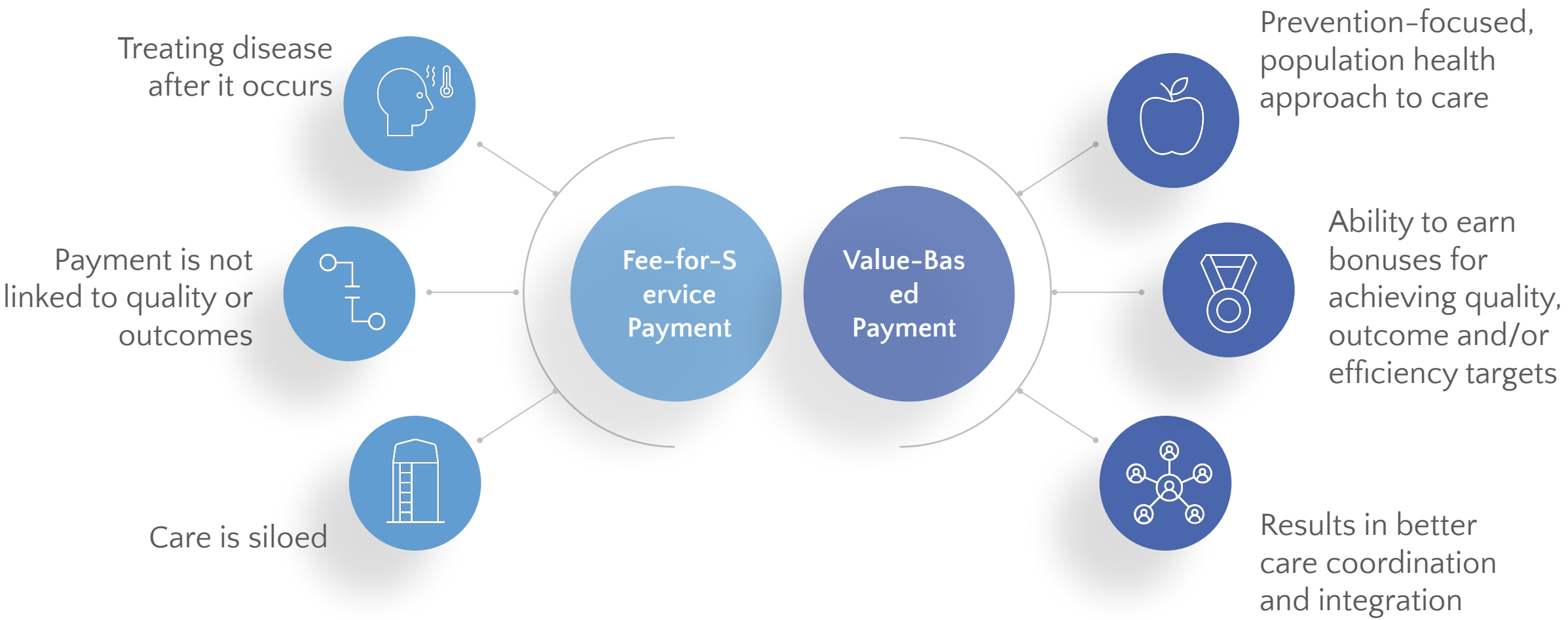
- Welcome
- Overview of Total Cost of Care Models
- Overview of the AHEAD Model
- Benefits for States
- Considerations for Advocacy
- Q&A

Overview of Payment Reform

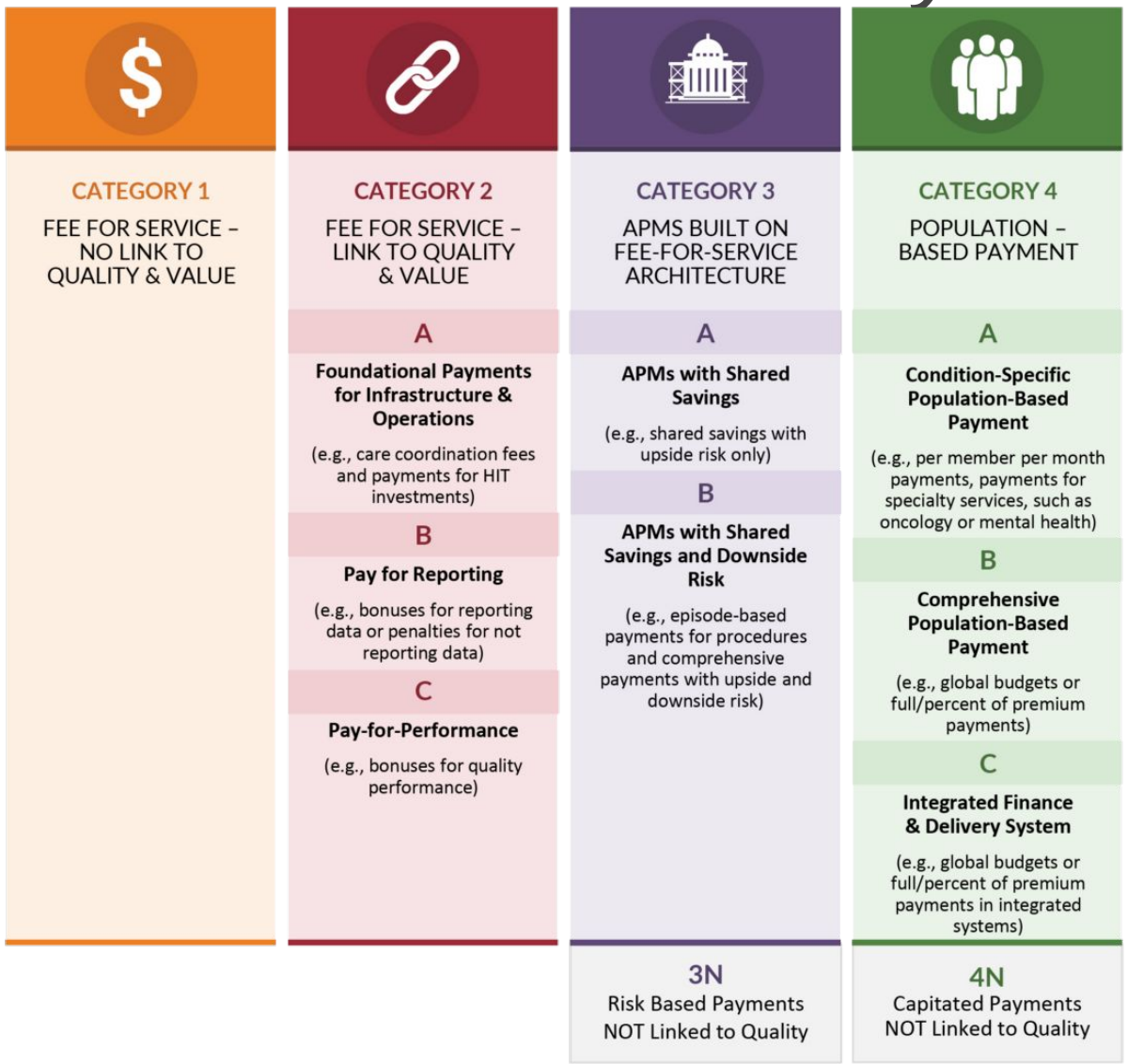
Bailit Health

June 27, 2024

Fee-for-Service vs. Value-Based Payments



The Alternative Payment Model Framework



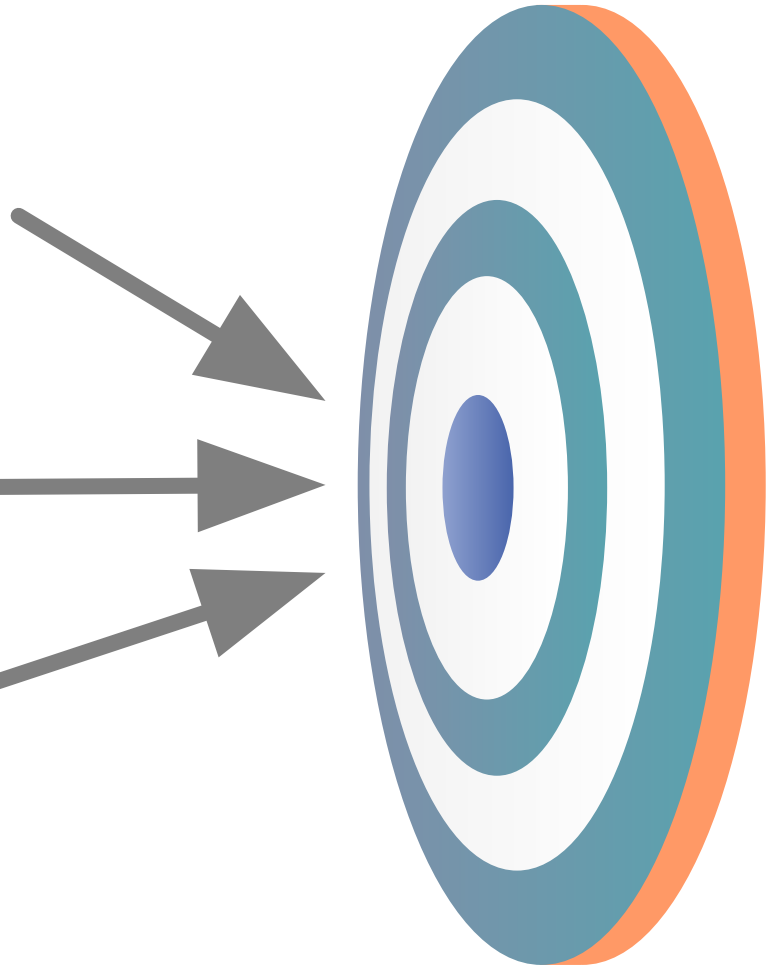
- Most VBP efforts follow the Health Care Payment Learning & Action Network's alternative payment model framework
- The framework classifies APMs into four categories based on level of risk assumed by providers

CMMI's AHEAD Model

Cooperative Agreement Funding

Hospital Global Budgets

Primary Care AHEAD



Total Cost of Care

Primary Care Investment

Equity and Population Health Outcomes

What is a Hospital Global Budget?

A fixed payment, determined prospectively, based on historical utilization and adjusted annually to account for changing demographics, market share and case/service mix

Current FFS Payment Model

- Hospitals are **paid per unit of service**
- Hospitals are compelled to **deliver more services**, and **higher margin services**, to maintain financial viability

Hospital Global Budgets

- Hospitals receive a **budget** for **defined set of services** that is determined **prospectively**
- Budgets are based on **historical revenue** and **anticipated utilization** during a specific time period
- Budgets are **trended forward annually** and can be **modified from year-to-year** based on changes in market share and

How Can Hospital Global Budgets Enhance Outcomes and Improve Affordability?

Steady, predictable financing

Greater flexibility to modify service offerings

Stronger incentives to invest in community health

Better outcomes

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: People's Desires

People's Desires for the Health Care System

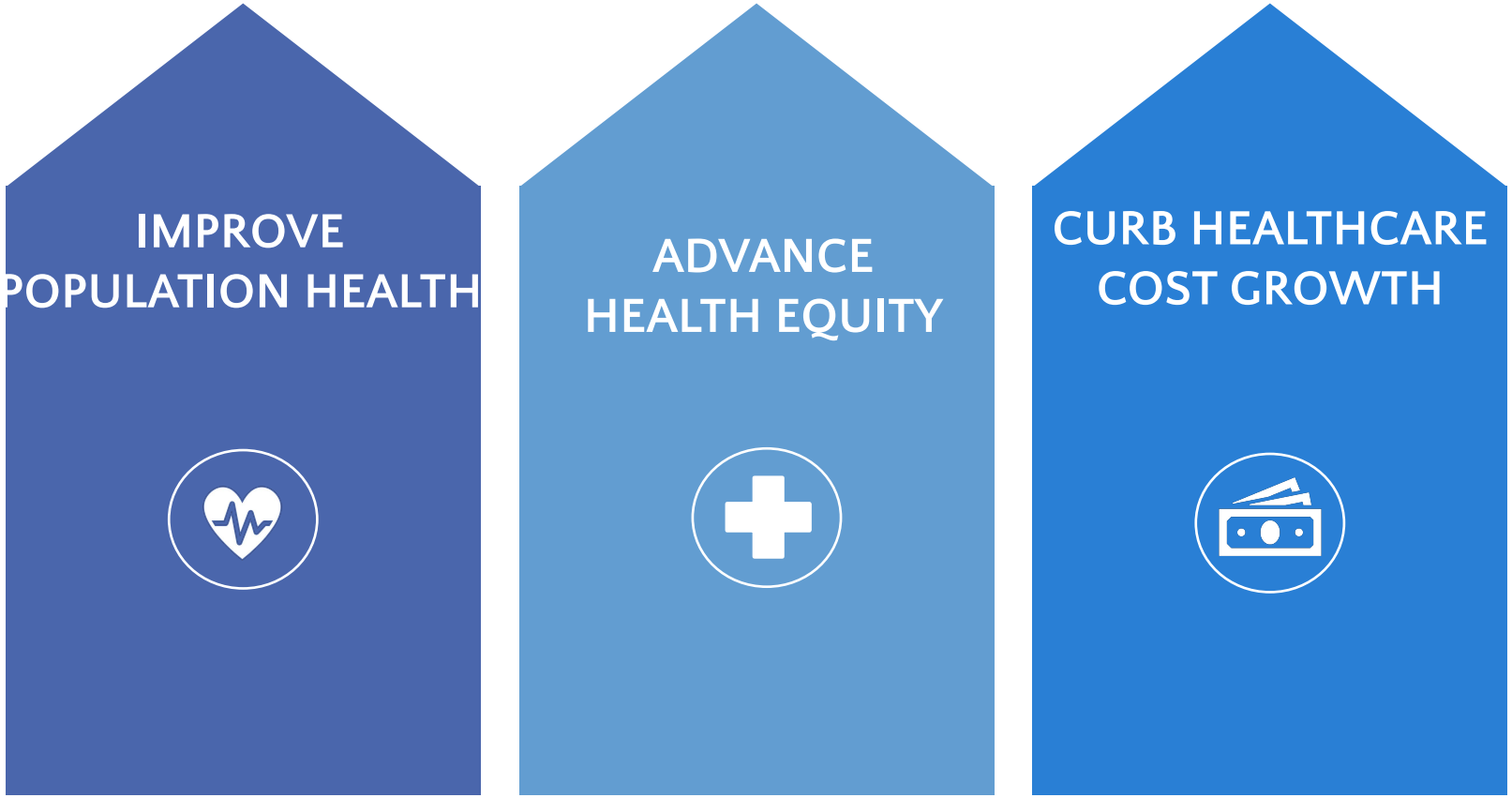
- ★ Increased quality across the system through a more human approach
- ★ Having their providers genuinely care about them
- ★ Having their providers treat them like a whole person
- ★ Having their providers listen attentively
- ★ Addressing the root causes of their problems

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.**

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

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

AHEAD Model Goals



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

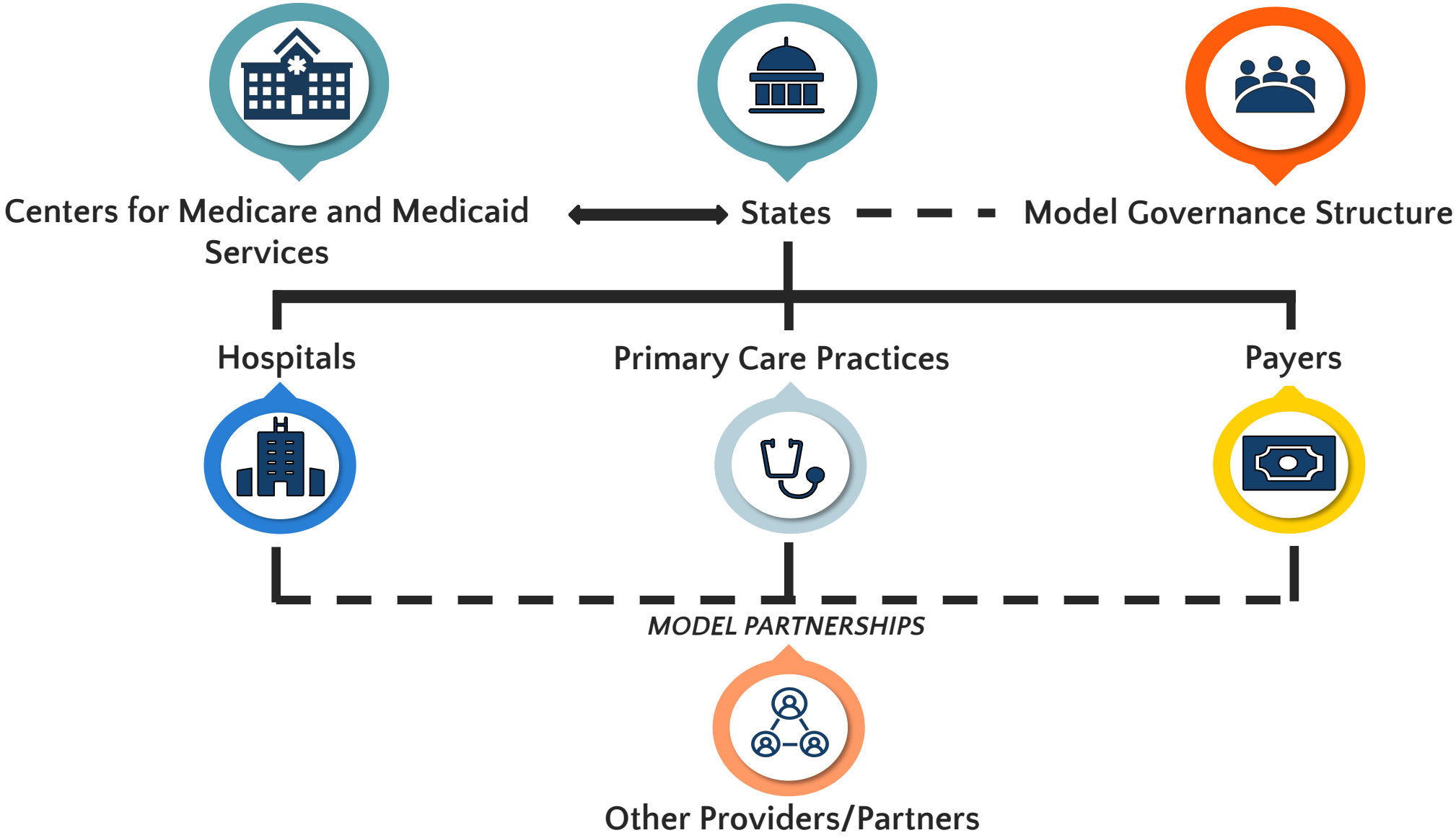
AHEAD Model Eligibility Criteria

States

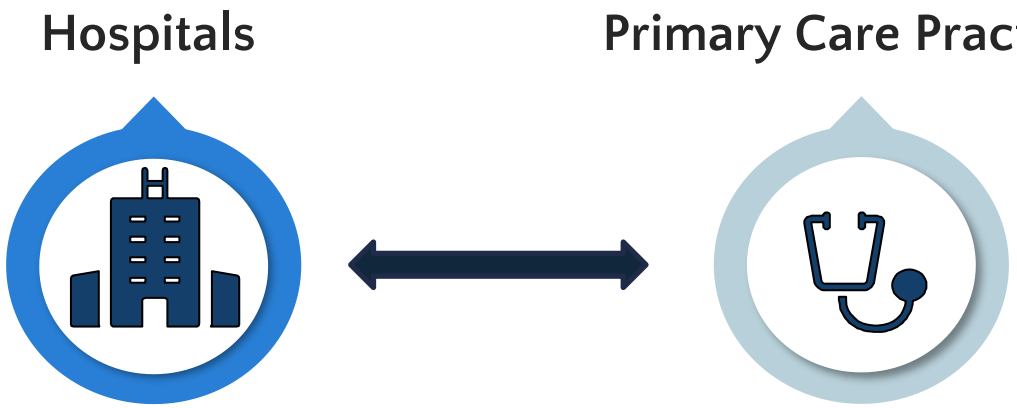
- All 50 US states, territories, and Washington, DC will be eligible to apply to participate in AHEAD.
- States should engage multiple state agencies to support AHEAD goals and activities.
- States can choose which state agency should apply to the Notice of Funding Opportunity (NOFO) (e.g., state Medicaid 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 single 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.

Partnerships for Healthcare Delivery System Reform



Partnership Spotlight: Hospitals and Primary Care Practices



AHEAD brings hospitals and primary care together under the umbrella of **shared goals and incentives** for population health/quality improvement.

The AHEAD model aims to improve healthcare delivery in participating states by helping providers deliver care **in the right setting and at the right time**. This includes ensuring that both hospitals and primary care practices are **well-resourced and equipped** to provide coordinated, efficient healthcare services.

Technical assistance and learning systems will support both hospitals and primary care practices to bolster coordination across the two types of providers.

Model Governance Structure

A multi-sector Model Governance Structure or other state-selected governing body will provide input to the Recipient on various elements of Model implementation. States can build on pre-existing workgroups or boards to meet this requirement.

Governance Representation

Recommended:

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

Governance Role

Required:

- Provide input to State on development of Statewide Health Equity Plan and State Quality and Equity Targets
- Review and support of hospital health equity plans
- Input on use of Cooperative Agreement investment and any planned hospital service line changes

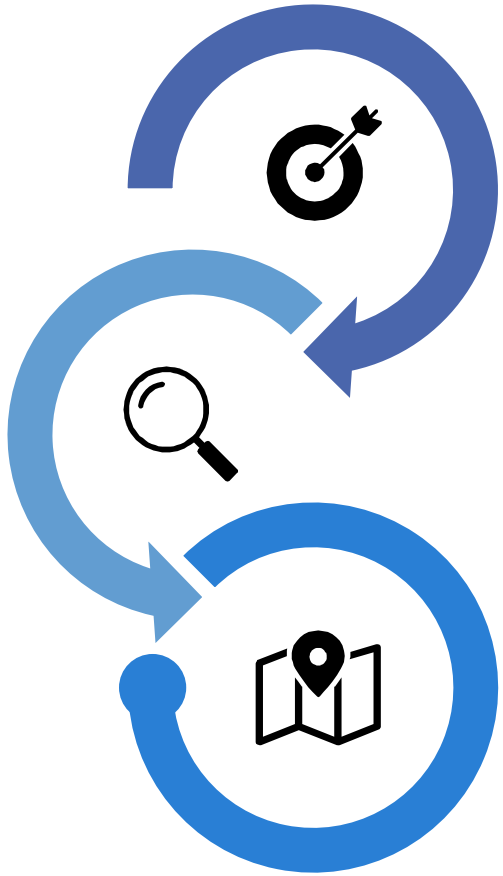
Optional:

- Review state-designed Medicare FFS HGB methodology
- Review/provide input on State 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.



Targets are measured for residents within the defined region.

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

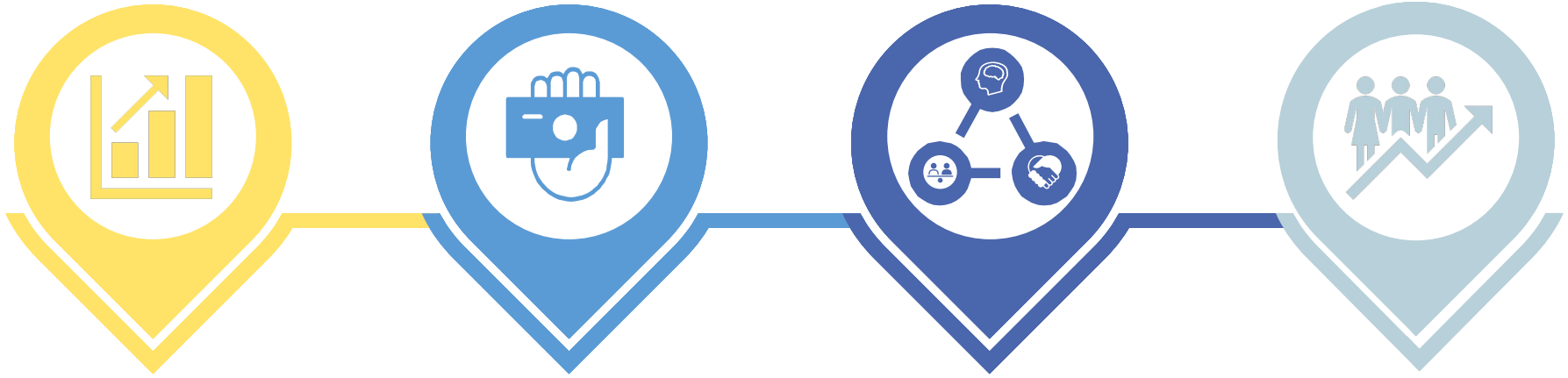
- Medicare FFS Total Cost of Care Targets
- All-Payer Cost Growth Targets

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

Primary Care AHEAD

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE & MEDICAID INNOVATION

Primary Care AHEAD Goals



Increase Primary Care Investment

Increase primary care investment statewide as a percent of the total cost of care

Align Payers

Align Medicare FFS with state primary care transformation work

Support Advanced Primary Care

Advance behavioral health integration, care coordination, and HRSN-related activities for primary care delivery

Broaden Participation

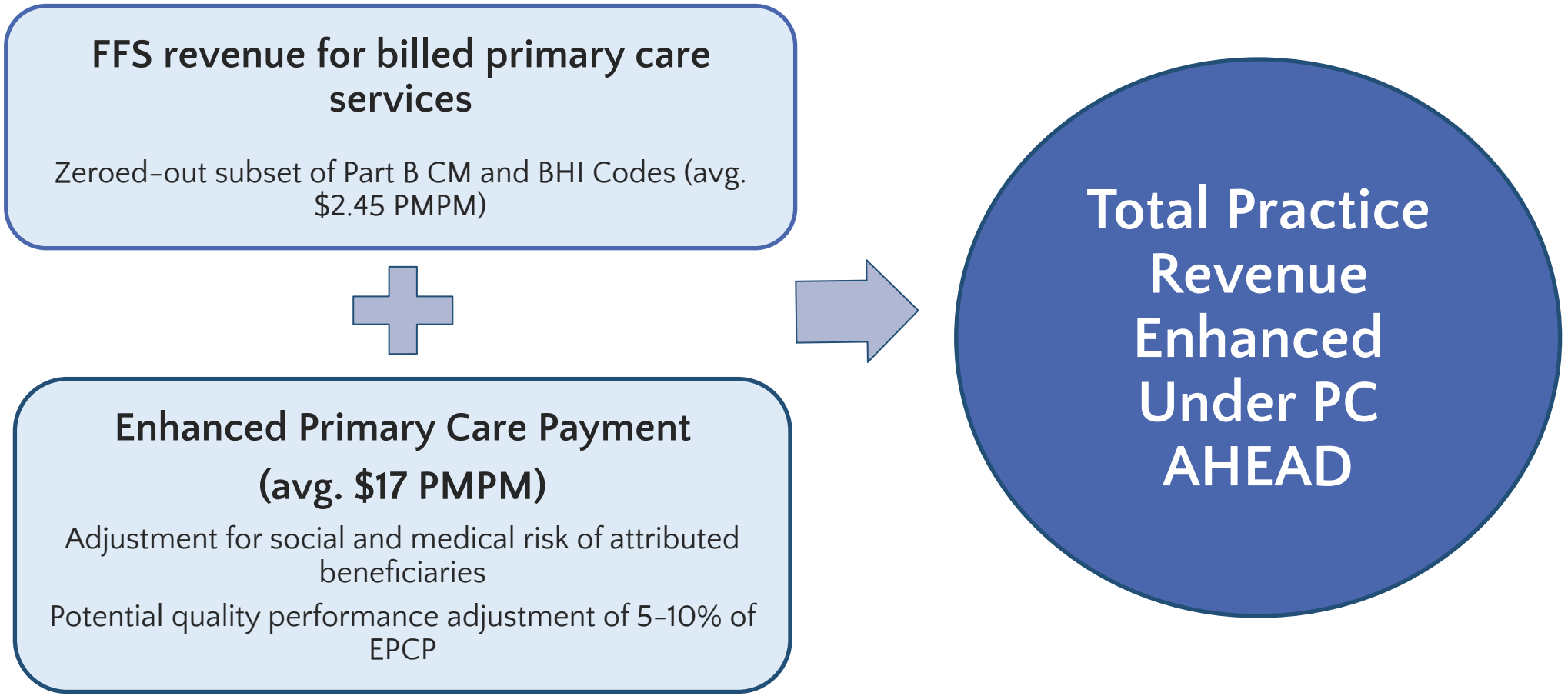
Facilitate successful participation by small practices, Federally Qualified Health Centers, and Rural Health Clinics

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.

Enhanced Primary Care Payment

The Enhanced Primary Care Payment (EPCP) replaces and enhances a subset of Part B care coordination and behavioral health integration codes. FQHCs and RHCs will have their CCM and BHI G-codes replaced and enhanced by the EPCP.

CMS will work with participating states to help practices considering the program understand the impact of the EPCP on their total revenue.



Cooperative Agreement and Model Timeline

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
1st NOFO Application Period	Cohort 1	NOFO	Pre-Implementation (18 months)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9
	Cohort 2		Pre-Implementation (30 months)			PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
2nd NOFO Application Period	Cohort 3		NOFO	Pre-Implementation (24 months)		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.

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:

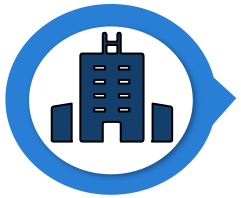
1. Levers to **improve population health, address health equity, and curb rising cost growth**
2. Funding to support opportunities to **support Model planning and implementation activities**
3. Alignment with Medicaid and increased investment in **advanced primary care**
4. **Multi-payer alignment**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

Call to Action

States: Engage with interested states to encourage participation and provide input on design of Medicaid primary care APMs and HGBs

CMS: Provide feedback on the Model and ways that CMS can best serve prospective State and provider participants.

Commercial Payers: Assess ability to align with key components of the Model; encourage participation in HGBs and PCA-aligned programs



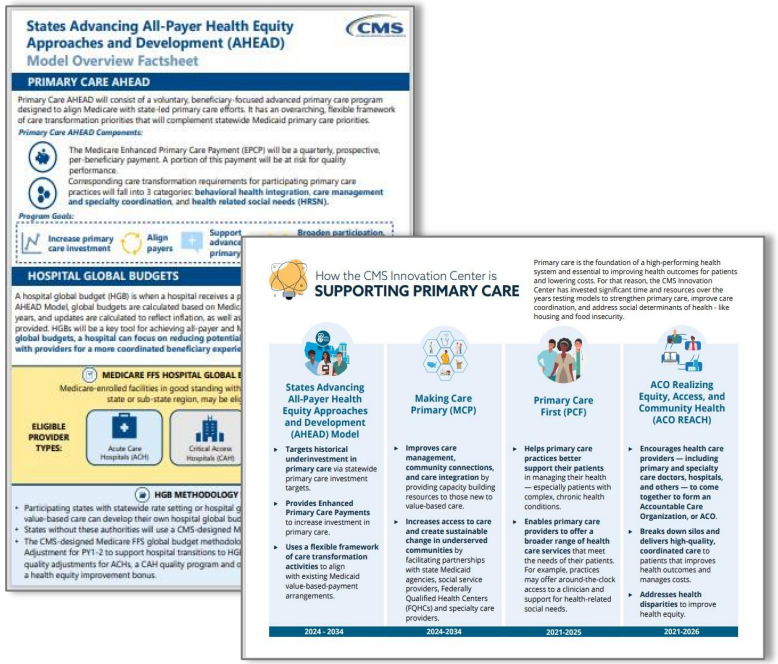
Hospitals: Engage with hospitals in interested states to support Model education and recruitment efforts, including about HGBs, how to build relationships with the primary care community, and approaches to investment in care coordination infrastructure.

Primary Care Practices: Engage with practices in interested states to support Model education and recruitment efforts, including PCMH participation, and how EPCP funds can support building advanced primary care infrastructure and reaching populations most in need

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 v1.0
- 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
★ 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	★ 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)

Q&A

Thank You!

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