

CALIFORNIA'S MEDI-CAL 2020 DEMONSTRATION (11-W-00103/9)



Public Hospital Redesign and Incentives in Medi-Cal (PRIME) Quarterly Report

Demonstration/Quarter Reporting Period:
Demonstration Year: Eleven (01/01/2016-06/30/2016)
First Quarter Reporting Period: 01/01/2016-03/31/2016

INTRODUCTION:

The Public Hospital Redesign and Incentives in Medi-Cal (PRIME) Program will build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California Section 1115 Bridge to Reform Demonstration. The activities supported by the PRIME Program are designed to accelerate efforts by participating PRIME entities to change care delivery, to maximize health care value, and to strengthen their ability to successfully perform under risk-based alternative payment models (APMs) in the long term, consistent with CMS and Medi-Cal 2020 goals.

The PRIME Program aims to:

- Advance improvements in the quality, experience and value of care that DPHs/DMPHs provide
- Align projects and goals of PRIME with other elements of Medi-Cal 2020, avoiding duplication of resources and double payment for program work
- Develop health care systems that offer increased value for payers and patients
- Emphasize advances in primary care, cross-system integration, and data analytics
- Move participating DPH PRIME entities toward a value-based payment structure when receiving payments for managed care beneficiaries

PRIME Projects are organized into 3 domains. Participating DPH systems will implement at least 9 PRIME projects, and participating DMPHs will implement at least one PRIME project, as part of the participating PRIME entity's Five-year PRIME Plan. Participating DPH systems must select at least four Domain 1 projects (three of which are specifically required), at least four Domain 2 projects (three of which are specifically required), and at least one Domain 3 project.

Projects included in Domain 1—Outpatient Delivery System Transformation and Prevention are designed to ensure that patients experience timely access to high-quality and efficient patient-centered care. Participating PRIME entities will improve physical and behavioral health outcomes, care delivery efficiency, and patient experience, by establishing or expanding fully integrated care, culturally and linguistically appropriate teams—delivering coordinated comprehensive care for the whole patient.

The projects in Domain 2—Targeted High-Risk or High-Cost Populations focus on specific populations that would benefit most significantly from care integration and coordination: individuals with chronic non-malignant pain and those with advanced.

Projects in Domain 3—Resource Utilization Efficiency will reduce unwarranted variation in the use of evidence-based, diagnostics, and treatments (antibiotics, blood or blood products, and high-cost imaging studies and pharmaceutical therapies) targeting overuse, misuse, as well as inappropriate underuse of effective interventions. Projects will also eliminate the use of ineffective or harmful targeted clinical services.

The PRIME program is intentionally designed to be ambitious in scope and time-limited. Using evidence-based, quality improvement methods, the initial work will require the establishment of performance baselines followed by target-setting and the implementation and ongoing evaluation of quality improvement interventions.

Enrollment Information:

Nothing to report.

Outreach/Innovative Activities:

On March 9, DHCS launched a [PRIME Webpage](#) with program information and updates, including stakeholder events and an [inbox](#) for public questions and comments.

As required by the Waiver's Special Terms and Conditions (STCs) Item 79 *PRIME Transparency* DHCS will conduct two stakeholder engagement sessions during the 60-day application review process of the PRIME 5-year plans. These sessions will inform the public of DHCS's 5-year plan approval process and enabled DHCS to respond to questions that were raised. A webinar is scheduled for April 11, 2016 while an In-Person Meeting and Webinar is scheduled for April 19, 2016. Meeting agendas and materials will be available on the [PRIME Webpage](#).

Operational/Policy Developments/Issues:

On March 3, CMS approved the PRIME Operational Protocols (Attachments D, Q and II). Following these approvals on March 4, 2016, DHCS released the PRIME 5-Year Plan Template to the 60 participating PRIME entities, and the project applications will be due back to DHCS on April 4, 2016. Eligible PRIME entities, which include Designated Public Hospitals and District/Municipal Public Hospitals as identified in Attachment D, *Participating Prime Entities*, will use a standardized template in submitting their applications. DHCS will review the 5-year plan applications to assess each entity's ability to meet the requirements specified in the STCs and to ensure that each institution has the capacity to successfully participate in the PRIME program.

Each 5-year plan application will be scored on a "Pass/Fail" basis. The state will evaluate the responses to each section and to determine if the response is sufficient to demonstrate that the applicant will be able to effectively implement the selected PRIME Projects while simultaneously conducting the regular business of operating the hospital system.

In the event that a response to a Plan section is not sufficient and fails to meet review criteria, the applicant will have an opportunity to revise the response(s) to meet the state's satisfaction.

Per STC Item 75(a) *Application Process and Five-Year PRIME Project Plan*, DHCS must take action on the 5-year plan applications by either approving or providing

feedback to the hospitals by June 3, 2016. Per STC Item 100(a) *Monitoring and Review of Metric Target Achievement* these 5-year plan applications will be submitted in place of the Interim Mid-Year Report for PRIME DY11 only. The first PRIME payment to participating entities will be contingent on the approval of each hospital's PRIME 5-year plan.

Financial/Budget Neutrality Developments/Issues:

Participating entities in the PRIME program will receive incentive payments, which are funded through federal funds and intergovernmental transfers (IGT). Expenditures are claimed in accordance with CMS-approved claiming protocols.

Payment	FFP	IGT		Service Period	Total Funds Payment
Public Hospital Redesign and Incentives in Medi-Cal (PRIME)					
(Qtr 1 Jan - March)	\$0	\$0		DY 11	\$0
Total	\$0	\$0			\$0
Payment	FFP		CPE	Service Period	Total Claim
Designated State Health Program (DSHP)					
(Qtr 1 Jan - March)	\$0		\$0	DY 11	\$0
Total	\$0		\$0		\$0

This quarter, the Department claimed **\$0** in federal fund payments for DSHP eligible services.

This quarter, Designated Public Hospitals and District/Municipal Public Hospitals received **\$0** in federal fund payments for PRIME eligible services.

Consumer Issues:

Nothing to report.

Quality Assurance/Monitoring Activity:

Nothing to report.

Enclosures/Attachments:

None.