Overview of Technical Support Available for State Medicaid Agencies
Value-Based Payment and Financial Simulations

Medicaid Innovation Accelerator Program

The Medicaid Innovation Accelerator Program (IAP) is a collaboration between the Center for Medicaid and CHIP Services (CMCS) and the Center for Medicare-Medicaid Innovation (CMMI) designed to build state capacity and support ongoing innovation in Medicaid. IAP provides targeted support to states’ ongoing Medicaid delivery system reform efforts across four program priority areas. IAP’s four program priority areas are: (1) reducing substance use disorders (SUD); (2) improving care for Medicaid beneficiaries with complex care needs and high cost (BCNs); (3) promoting community integration through long-term services and supports (CI-LTSS); and (4) supporting physical and mental health integration (PMH).

IAP also provides support in four functional areas, which IAP sees as the building blocks to delivery system reform: (1) data analytics, (2) quality measurement, (3) value-based payment and financial simulations, and (4) performance improvement.

For IAP’s functional area on value-based payment and financial simulations, IAP seeks to offer targeted technical support to state Medicaid agencies in designing, developing and/or implementing Value-Based Payment approaches [i.e. payment models that range from rewarding for performance in fee-for-service (FFS) to capitation, including alternative payment models (APM) and comprehensive population-based payments]. In addition, IAP and the State Innovation Group (SIM) at CMMI will work collaboratively with SIM states to align state Value-Based Payment approaches to existing multi-payer efforts under SIM. If a state seeks to pursue a particular Value-Based Payment approach in their FFS or Medicaid managed care program, IAP can also provide the state with support to conduct financial simulations and forecasts that analyze the financial impact of these payment and delivery strategies.

Overview of Technical Support

The goal for this IAP opportunity is to support states as they develop new Medicaid payment models and/or enhance and expand existing state Medicaid payment reform efforts. Individualized technical support is available for states that have interest in designing, developing, or implementing Value-Based Payment approaches that will promote improved health outcomes for their Medicaid beneficiaries within and beyond the four IAP program priority areas. This opportunity is open to states at all levels of expertise in Value-Based Payment approaches, whether or not they have had experience developing Value-Based Payment approaches or conducting financial simulations. At the conclusion of the year-long program of technical support, participating states will be prepared to further advance Value-Based Payment approaches in their Medicaid programs.

---

1 This IAP opportunity does not address Maternal and Infant Health (MIH) or Children’s Oral Health, which are part of separate IAP opportunities.
States may seek support with strategic design, development, and/or implementation for one or more of a range of Value-Based Payment approaches and related activities. These include and are not limited to the following examples:

- Shared savings and shared risk methodologies
- Bundled payments and episodes of care
- Pay-for-performance (P4P) approaches
- Per member per month payments or advanced Primary Care Medical Homes
- Use of contractual or other vehicles to advance implementation
- Alignment across Value-Based Payment approaches in FFS and managed care
- Monitoring of Value-Based Payment approach outcomes
- Factors for consideration in implementing a Value-Based Payment approach within Medicaid managed care, including appropriate levels of risk, prescriptive versus flexible approaches, and contracting approaches
- Alignment with the HHS VBP goals\(^2\), HHS Health Care Payment Learning and Action Network’s APM framework\(^3\) and Medicare Access & CHIP Reauthorization Act’s (MACRA) Quality Payment Program

Components of Technical Support for States

Technical support will be offered for up to 10 states per year. The individualized support will be based upon each state’s specific needs as identified through an Expression of Interest form and the initial goal setting process. The technical support team for each state will include Medicaid policy experts, subject-matter experts, research analysts, data management experts and financial simulation experts. In addition to individualized support, states will have access to group technical support and peer-to-peer learning.

Types of Technical Support

The content and method of technical support for selected states will be refined based on each state’s specific needs. It will follow a menu-style approach where states identify the technical support that best meets their needs, such as:

1. Strategic design by drilling down into states’ payment model goals, objectives, and technical support needs:
   a. Helping states evaluate their Value-Based Payment options.
   b. Identifying other payers’ (e.g., Medicare, commercial) Value-Based Payment approaches to assist with alignment to Medicaid.

---


\(^3\)HHS Health Care Payment Learning and Action Network’s APM Framework White Paper https://hcp-lan.org/groups/apm-fpt/apm-framework/
2. Developing Value-Based Payment approaches in Medicaid:
   a. Help identifying the appropriate legal authority for implementing Value-Based Payment approaches in FFS and Medicaid managed care.
   b. Aiding in the design or development of a Value-Based Payment approach or its features (e.g., benchmarking, attribution).
   c. Assistance with the design of contract language, Requests for Information, incentive/penalty structures or other state documents pertaining to Value-Based Payment approaches to Medicaid.
   d. Understanding other payers' (e.g., Medicare and commercial) Value-Based Payment approaches, to assist with alignment to Medicaid.

3. Implementing an agreed upon Value-Based Payment approach in Medicaid:
   a. Assistance creating provider technical assistance and training materials, including decision-making tools such as readiness assessments, checklists, or manuals as well as best practices and recommended reports.
   b. Assistance implementing appropriate monitoring and accountability mechanisms, including, but not limited to, strategies to improve data and report quality through validation and standardization.
   c. Support in the design of a Requests for Proposal.
   d. Engaging with stakeholders in order to promote and monitor Value-Based Payment alignment in Medicaid and the state.

4. Assistance in developing financial simulations of state-developed Value-Based Payment approaches:
   a. Identifying outcomes of interest and potential data sources.
   b. Measuring the scope of the Value-Based Payment arrangement.
   c. Developing a methodology for beneficiary attribution.
   d. Characterizing the type and strength of incentives.
   e. Identifying how much risk providers can undertake.
   f. Simulating targets and overall performance.
   g. Simulating rebasing over time and estimating the sensitivity of the analysis to specific assumptions.

Selection Criteria and Timeframe

The Medicaid IAP program seeks to engage with up to 10 states that demonstrate a commitment to advancing Medicaid payment reform, regardless of whether a state has taken independent steps to date. Technical support will be offered for a period of up to 12 months.

State commitment to advancing payment reform is demonstrated by:
   ● Leadership acknowledgement that the team has or will have sufficient staff time and resources for this effort.

4 HHS Health Care Payment Learning and Action Network’s APM Framework White Paper https://hcp-lan.org/groups/apm-fpt/apm-framework/
• Identification of a team lead. The team lead will oversee and be accountable for the day-to-day work in connection with this technical support.
• Evidence that Medicaid payment reform is a priority for the state Medicaid program. For states already engaged in reform, this would include the existence of strategic design and development work on Value-Based Payment approaches.
• Ability to clearly articulate technical support needs.
• Capacity to begin work shortly after selection for technical support.

During the delivery of technical support, participating states will be expected to engage in regularly scheduled meetings with the IAP program and to contribute to agreed-upon deliverables.

What is the Benefit to Selected States?

The technical support to states is:
• Tailored to states’ existing environment, resources, policy levers, Medicaid payment and delivery system reform efforts, and unique challenges; and
• Targeted to states in designing and implementing Value-Based Payment approaches in Medicaid, including those in need of support in developing financial simulations for these efforts.

How Do Interested States Apply for Technical support?

This effort is limited to 10 states per year. IAP will select states on a first come, first serve rolling basis through May 31, 2017. However, we expect to receive the bulk of state expression of interest forms by January 16, 2017. Interested states are asked to complete and email an Expression of Interest form to MedicaidIAP@cms.hhs.gov. Direct questions to MedicaidIAP@cms.hhs.gov, subject line “VBP and Financial Simulations.”