

Value-Based Payment and Financial Simulations Technical Assistance for Medicaid Agencies

Program Overview

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 technical assistance to states' ongoing Medicaid delivery system reform efforts across four program priority areas. These areas are: (1) reducing substance use disorders; (2) improving care for Medicaid beneficiaries with complex care needs and high cost; (3) promoting community integration through long-term services and supports (LTSS); and (4) supporting physical and mental health integration. The Medicaid IAP also provides technical assistance in four functional areas, which are seen 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 the Medicaid IAP's functional area on value-based payment and financial simulations, IAP is now offering technical assistance to state Medicaid agencies in designing, developing and/or implementing value-based payment (VBP) 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, if a state seeks to pursue a particular VBP approach in their FFS or Medicaid managed care program, IAP provides the state with support to conduct financial simulations that analyze the financial impact of these payment and delivery strategies.

Overview of Technical Assistance

The goal of this Medicaid IAP VBP and Financial Simulation technical assistance opportunity is to support states as they design, develop, and implement Medicaid VBP models and/or enhance and expand existing state Medicaid payment reform efforts. Specifically, IAP will support Medicaid agencies with designing, developing and/or implementing VBP approaches that align with CMMI's payment models.

Technical assistance will be offered for up to 10 states for a period of six months. Individualized assistance will be based upon each state's specific needs as identified through an expression of interest (EOI) form and the initial IAP goal setting process. The technical assistance 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 technical assistance, states will have access to peer-to-peer learning opportunities with other states.

States interested in this Medicaid IAP opportunity should note that IAP also offers states more specific technical assistance focused on developing a VBP strategy for fee-for-service Home and Community-Based Services [state plan and/or section 1915(c) waiver program] through the IAP's Community Integration through LTSS program area. Information about this separate technical assistance opportunity is available [here](#). Expressions of interest forms for the VBP fee-for-service Home and Community-Based Services opportunity are due December 18, 2019. States are eligible to apply for both opportunities.

Technical Assistance Pathways

Medicaid agencies receive technical assistance based on *one* of the following two pathways:

Pathway 1: Strategic design support in preparation for a specific upcoming CMMI payment model. Help states design a strategy for developing and implementing a Medicaid VBP approach in preparation for a [CMMI payment model](#) application. States would receive technical assistance prior to the release of a Request for Applications for a given model.

Pathway 2: Support designing, developing, and implementing Medicaid VBP approaches that align with a CMMI payment model and/or VBP approach. Assist states with designing, developing, and implementing Medicaid VBP approaches that align with:

- [CMMI payment models](#), such as the [Advanced Alternative Payment Models under the Quality Payment Program](#), Bundled Payments for Care Improvement, Next Generation or other Accountable Care Organization (ACO) Models, and Strong Start.
- CMMI VBP approaches that conform to the Health Care Payment Learning and Action Network (LAN) [Alternative Payment Model \(APM\) Framework](#) categories. The shared accountability APMs, including per member per month payments, gain- or risk-sharing approaches, global payments, and integrated delivery system (LAN APM Categories 3B, 4A, 4B, & 4C of the LAN's Refreshed APM Framework) are preferred. However, enhanced fee-for-service payments (LAN APM Categories 2B and 3A) will be accepted.

Types of Technical Assistance Activities

For the one pathway selected, IAP can support *three* technical assistance activities from the menu of options below. If a state selects Pathway 1, IAP can only provide technical assistance with activities listed under the strategic design and the financial simulations headers. For Pathway 2, states can select from the entire technical assistance activity menu.

The menu of technical assistance activities includes:

- **Strategic design by drilling down into states' payment model goals, objectives, and technical assistance needs**
 - Develop a VBP options memo or VBP roadmap that describes possible methods to designing Medicaid VBPs that are appropriate to an individual state's Medicaid health care delivery and payment environments.
 - Examine strategic VBP considerations within the Medicaid VBP approaches, such as setting VBP targets, attribution methodologies, and gain-sharing methodologies.
 - Identify other payers' (e.g., Medicare, commercial) VBP approaches to assist with alignment to a Medicaid VBP approach.
 - Help aligning the Medicaid VBP approach in FFS and managed care.
 - Support the state's stakeholder collaboration/engagement process/activities related to the development and implementation of a Medicaid VBP approach.
 - Understand provider health information technology (IT) readiness and conduct a gap analysis on the state health IT ecosystem's readiness to implement a Medicaid VBP approach.

- **Develop Medicaid VBP approaches:**
 - Better understand the elements of implementing a VBP within Medicaid managed care, including appropriate levels of risk, prescriptive versus flexible approaches, and contracting examples.
 - Understand strategic considerations related to quality, outcomes and performance measure identification and monitoring VBP outcomes.
 - Determine health IT and interoperability goals for a Medicaid VBP (e.g. identity management, data flow, attribution, the use of e-specified measures for the basis of quality and payment, health IT standards).
- **Implement a Medicaid VBP approach:**
 - Support the state in creating its provider technical support and training materials, including decision-making tools such as readiness assessments, checklists, or manuals as well as best practices and recommended reports.
 - Develop an implementation plan that includes iteratively improving the Medicaid VBP approach based on measured outcomes.
- **Support in developing and conducting financial simulations of state-developed VBP approaches, including developing a VBP analysis methodology and conducting financial simulation modeling of a specific VBP approach. For example:**
 - Forecast the expected payout for participating providers or predicting providers' response to risk sharing.
 - Examine the implications of different options for various Accountable Care Organization elements.
 - Identify the proportion of Medicaid enrollees attributed to specific care delivery models.
 - Support identifying the potential impact of Medicaid VBP approaches on providers and Medicaid MCOs.

Selection Criteria and Timeframe

The Medicaid IAP will select up to 10 states that demonstrate a commitment to advancing Medicaid payment reform. This opportunity is open to states at all levels of expertise in VBP, whether or not they have had experience developing VBP approaches or conducting financial simulations. States from the 2017 and 2018 cohorts are welcome to submit an EOI form requesting technical assistance.

In the EOI form, states are asked to identify their VBP goals, preferred technical assistance pathway, and three technical assistance activities so that IAP clearly understands the state's most immediate needs. All states that submit an EOI form will be contacted by the Medicaid IAP for a one-on-one conference call during the last three weeks of January 2020. The purpose of this call is to discuss the state's technical assistance goals and needs as well as to answer questions about the technical assistance offered. The Medicaid IAP anticipates notifying selected states in February 2020.

State commitment to advancing Medicaid payment reform is demonstrated by:

- Leadership acknowledgement that the team has or will have sufficient staff time and resources for this effort for a period of six months.
- Identification of a team lead who will oversee and be accountable for the day-to-day work in connection with the technical assistance.

- Indication 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 VBP approaches.
- Ability to clearly articulate Medicaid VBP goals and technical assistance needs.
- Capacity to begin work shortly after selection for technical assistance.

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

Note: Due to the six month timeframe for this technical assistance opportunity, selected states that are seeking support with conducting financial simulations need to have the necessary data available (i.e. within one month of the beginning of technical assistance) and a clear financial simulations request.

What is the Benefit to Selected States?

A combination of individualized and cross-state Medicaid VBP design, development, and implementation technical assistance that is:

- Tailored to states' existing environment, resources, Medicaid payment and delivery system reform efforts, and unique challenges;
- Aligned with other payers' VBP approaches; and
- Targeted to states in designing and implementing VBP approaches in Medicaid, including those in need of support in developing financial simulations for these efforts.

How Do Interested States Apply for Technical Support?

Interested states are asked to complete and email an Expression of Interest form to MedicaidIAP@cms.hhs.gov **by January 10, 2020**. Expression of interest forms can be found on the [Value-Based Payment and Financial Simulations webpage](#). Direct questions to MedicaidIAP@cms.hhs.gov, subject line "VBP and Financial Simulations."