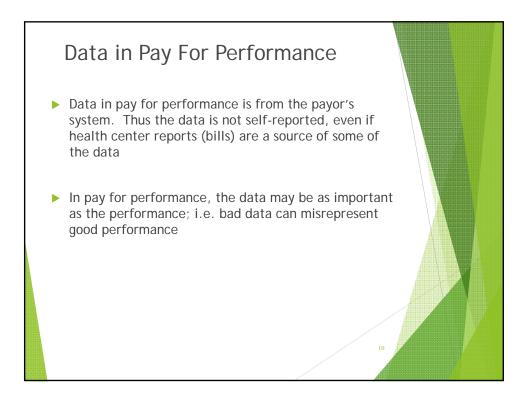




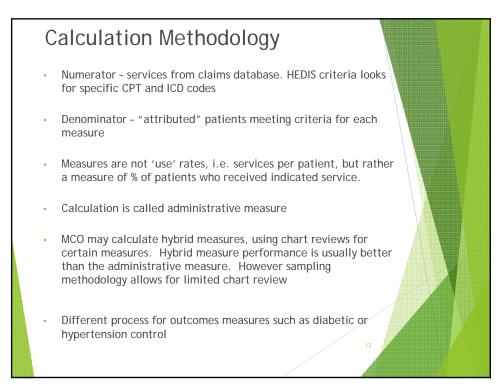
Cost vs. Non-F Current Dilem					
Staff groups added over the past few years that are key in a value based payment world, but are non-revenue producing (compensation includes fringe):					
Staff Group Nursing Patient Engagement Care Coordination Clinical Informatics Population Health/QI	additior new new new new	4.0 13.0	<u>Anr</u> \$ \$ \$ \$	330,000	
Staffing additions total over					
We have also added Scribes over the last year, but the primary goal there is Provider Retention and Satisfaction.					
Total health center budge	t - \$60 mi	llion		9	/

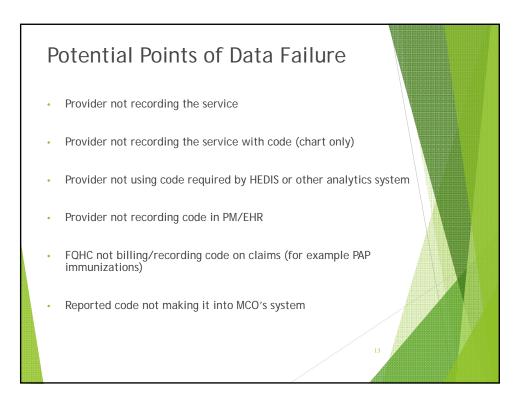


HEDIS Medicaid Quality Measures

- Children immunization
- Adolescent immunization
- HPV for female adolescents
- Lead screening in children
- Breast cancer screening
- Cervical cancer screening
- Chlamydia screening
- Pharyngitis testing for children
- URI treatment for children
- Antibiotic avoidance adlt bronchitis
- Spirometry testing for COPD
- Pharmacotherapy mgmt of COPD
- Initiation & engagement for AOD
- Timeliness of prenatal & postpartum
 - Frequency of adolescent care

- ED visiis
- Follow up on ADHC meds
- Use of asthma meds
- Asthma med mgt
- Asthma medication ratio
- Cholesterol mgmt for CV conditions
- Beta blocker after heart attack
- Comprehensive diabetes care
- DMARD therapy
- Imaging studies for low back pain
- Antidepressant med mgmt
- MH hospitalization f/u
- Monitoring for persistent meds
- Adult access to preventive/ambulatory
- Child access to PCP
- Frequency of prenatal care
- Frequency of well child visits
- Annual dental visits
- Developmental screening





Key Elements of Pay for Performance Attribution

- The key question, for pay-for-performance & population health is Who Are Our Patients?
- Current UDS definition (patients seen in a calendar year) is much different than the typical P4P definition
 - Patients who didn't need to be seen in a year
 - Patients who visited multiple PCPs
 - Assigned by payor but not seen by CHC (this figure is 60% at some CHC sites)
 - Regularly seen at CHC but assigned to someone else
- Many health centers experience large patient turnover (30% +) per year, that is 30% of their patients are new even when they don't grow

Patient Attribution -Who Are Our Patients?

- The payor's assignment list is used for all calculations - what were the costs of patients, who used the ED, what are the quality measures
- It takes substantial infrastructure to get it right, i.e. for the patient list to match the population that the health center feels they can manage:
 - Current financial impact is having to return capitation (little impact in fee-for-service)
 - Not included in UDS quality measures
 - Need to obtain correct demographic data for these patients. Work with MCO to determine if they are actually seen by another PCP.
 - If health center can get historical claims information, perhaps prioritize patients: 1. ED and inpatient follow-up, 2. patients who are not well and need to seen, 3. patients needing a health maintenance service, 4. healthy patients

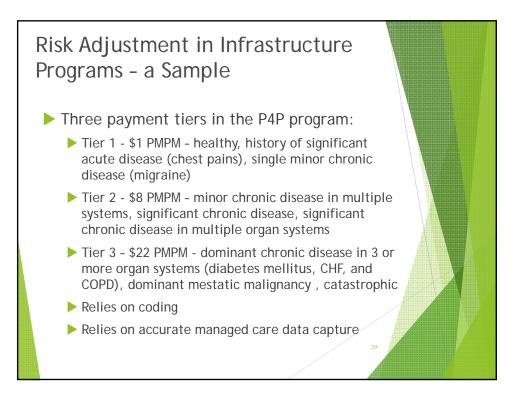
Impact of Assigned But Not Seen on Plan Quality Calculation

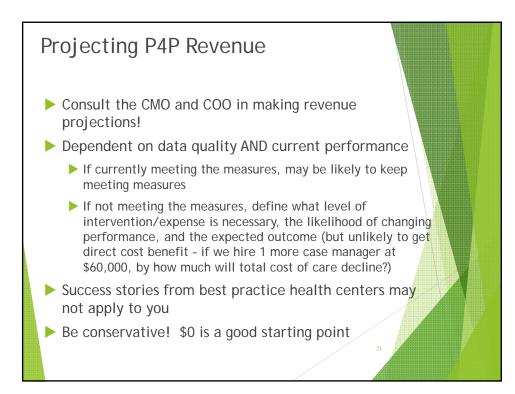
	HEDIS Score	
verall Plan Performance	70%	
equired to Earn P4P Revenue	77%	
ealth Center Performance		Patients
	0.00/	
Plan Assigned Patients - Seen by CHC	80%	500
Plan Assigned Patients - Not Seen by CHC	70%	300
otal CHC Performance	76%	800

	Attributed Not					
	Seen		to Prenatal Care		nmunzation*	
Health Center A	11%	UDS 74%	HEDIS 48%	UDS 68%	HEDIS	
Health Center A	11%	74% 85%	48%	93%	0%	
Health Center B Health Center C	11%	85%	60%	93%	0%	
Health Center D	-					
	9%	56%	53%	97%	1%	<u>\</u>
Statewide Administra	ative		59%		4.7%	
Statewide Hybrid					64.7%	
	ion of Dtap, I	PV, MMR, H	iB, HepB, VZ	V, PCV		

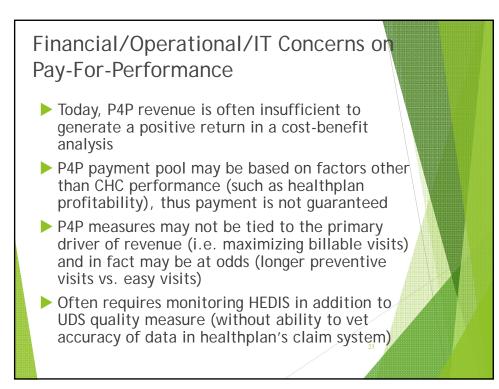
What Drives Total Cost of Care?							
Top (Costly Pts):	10%	20%	Everyone Else				
# of Pts:	11,539	23,078	92,311				
% of Total Costs:	59.3%	75.1%	24.9%				
How many ca behavior?	ses can a case	e manager manag	e to change				

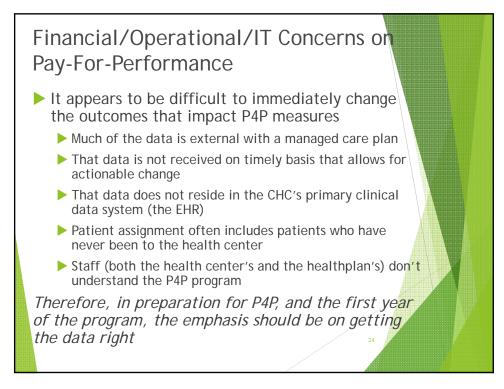
A CHC Provider's Take on High Cost Patients There were 101 high cost patients. Of these, 25 are "not currently attributed" to this CHC. Of the 76 attributed patients, 14 were children, 62 adults. All of the 14 children were high need/intrinsically high cost - 2 with hemophilia (one with physical and sexual abuse), 5 complicated preemies, 2 cancers (malignancies), 2 severe autism/developmental delay, 1 cystic fibrosis with liver transplant, 1 severe ulcerative colitis with colectomy. The only one with asthma also has psychosis. We can identify the 62 adults by the clusters of conditions which are the highest cost: HIV, Hep C, Substance Abuse Cancer Advanced Age with multiple conditions Severe mental illness plus or minus other health conditions Neurodegenerative disorders Dialysis, transplants I find it hard to imagine how to impact their costs. There are about 2-3 adults who have problem lists and medication lists that are not huge, and for whom it is not totally evident why their costs are high. Each of these has home care services, which may be a major contributor to their cost,

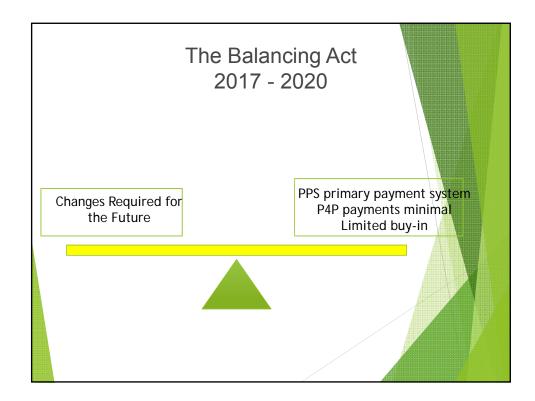




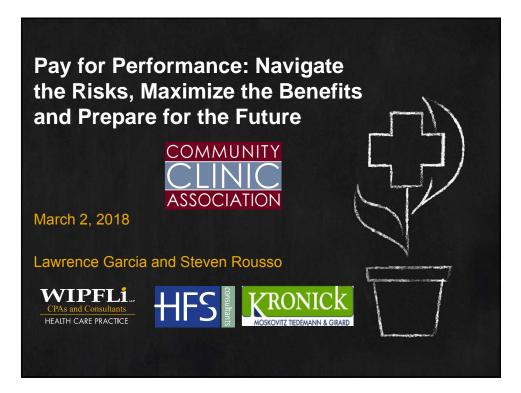
Incentive Category	MCO Standard	CHC Score	CHC Against Standard	D/ID	Earned	
Discharges per 1,000*	70	74	(4)			
ER Usage Per 1,000	597	427	170	\$	10,000	
Encounter Reporting	81%	87%	6%	Ś	10,000	
HEDIS Measures					- (
- Breast cancer screening	21%	28%	7%	\$	4,000	A I
- Well visits	80%	89%	9%	\$	4,000	
- Cervical cancer screening	10%	14%	4%	\$	4,000	
Total				\$	32,000	
* Excludes maternity						

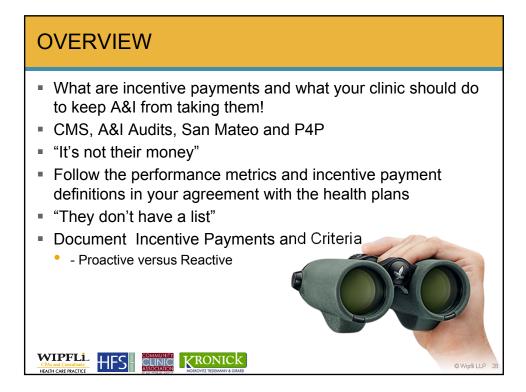














UNIQUE LEGAL RISKS FOR FQHCS

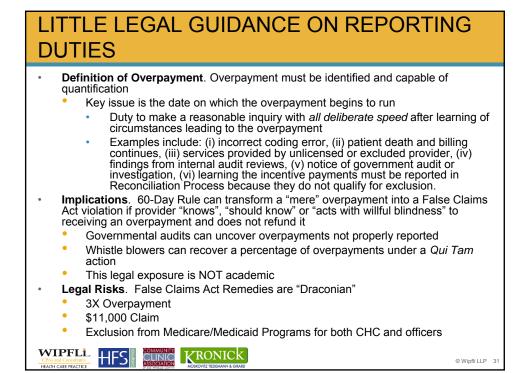
The receipt and failure to report *value-based* payments by FQHCs presents legal risks.

- Wrap-Around Payments and Reconciliation Process
 - FQHCs can be determined to have received "*overpayments*" if they do not properly report revenues and supplemental revenues in their Medi-Cal Reconciliation Process
 - Because of a "dearth" of regulatory guidance on whether value-based payments should be reported in the Reconciliation Process, ambiguity exists on whether value-based payments must be reported by FQHCs

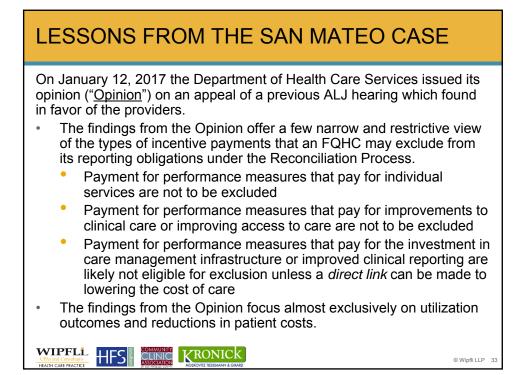
• FQHC Risks arising from this ambiguity are both Financial and Legal

- Potential need to payback payments to State in Reconciliation process if value-based payments are regarded as "overpayments"
- Repayments can be significant and have an adverse impact upon the both the cash position and financial performance of FQHC
- Because Reconciliation Process involves a formal "request for payment", the 60-Day Rule can create a *False Claim* by the FQHC

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2016 REGULATIONS IMPOSE THE 60-DAY RULE
 Regulations were issued on February 16, 2016 <u>Adoption</u>. After years of public comments, regulations were adopted specifically for Medicare and have application to Medi-Cal payments until a set of Medicaid regulations are adopted. <u>Rule</u>. A provider that has received an "overpayment" must report and return the overpayment within 60 days of identification.
 <u>Overpayment Identification</u>. Under the regulations, an "overpayment" has been "identified when "a person has, or through the exercise of reasonable diligence, determined that the person received an overpayment and quantified the amount of the overpayment."
 <u>Deadline</u>. The deadline for reporting and refunding overpayments is the later of (i) 60 days after the date on which the overpayment was identified, or (ii) the date any corresponding cost report is due, if applicable.
 <u>Reconciliation Payments</u>. The filing of Medi-Cal Reconciliation Reports represents a formal request for payment and can track the date on which an overpayment should have been identified before the request for payment, and certification, are made.
 Look-Back Period. The regulations require a 6 year "look back" period from the date that the overpayment was received.
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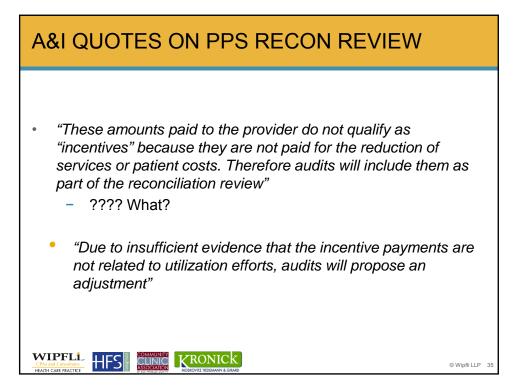
A&I IS USING SAN MATEO CASE IN P4P INCENTIVE DENIALS

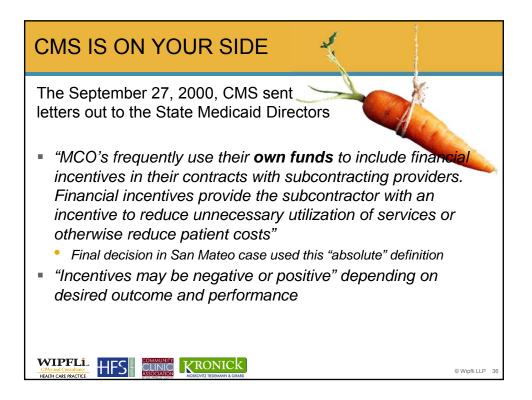
San Mateo Medical enter FQHCs ET Al. vs, DHCS appeal decision

- Audits reviewed the Final Decision from appeal case FQ14-0610-745B-LM, San Mateo Medical Center, which discussed the departments position on the inclusion of incentive payments with the total Pay-4-Permance managed care payments. The final decision of the Department states that an incentive payment must be linked to a reduction of unnecessary utilization of services or otherwise reduce patient costs. *"The P4P program encourages usage of services, promotes billing opportunities, increases patient costs, and is not tied to any utilization outcome"*
 - Taken from a health center's PPS recon audit letter

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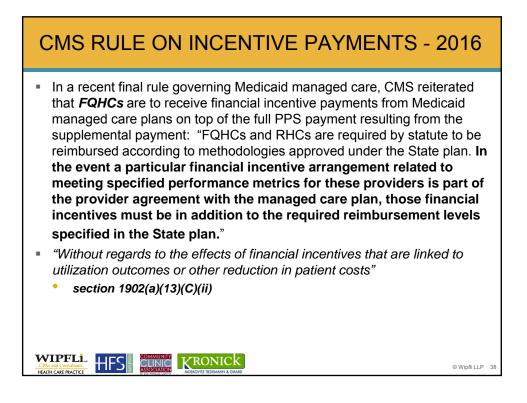


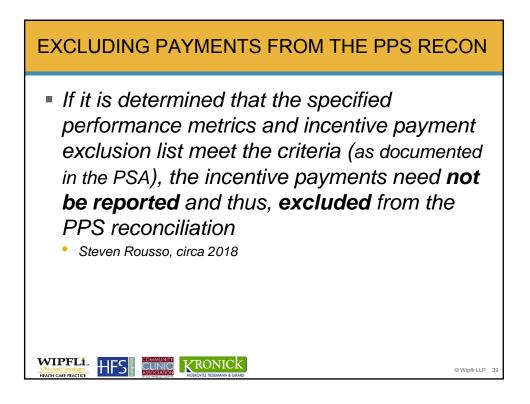


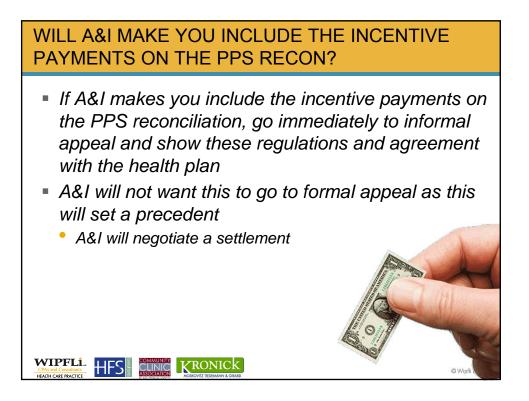
INCENTIVE PAYMENT REGULATIONS

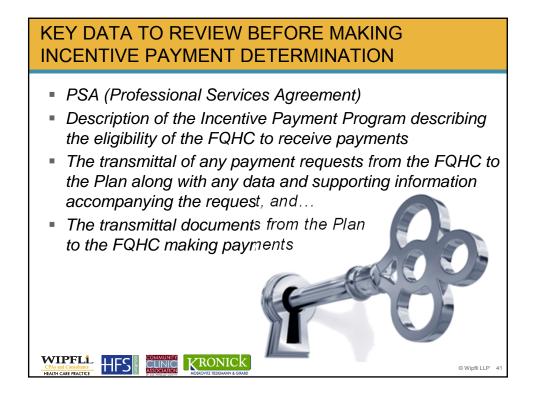
Therefore, 42 CFR 405.2469(a)(2) states: "Any financial incentives provided to Federally Qualified Health Centers under their Medicare Advantage Contracts, such as risk pool payments, bonuses, or withholds, are **prohibited** from being included in the calculation of supplemental payments due the Federally Qualified Health Center"











APPLICATION OF SAMPLE CRITERIA FOR INCENTIVE PAYMENT INCLUSION

- Payments (performance metrics) are designed advance population health management objectives or other clinical goals of the plan
- Payments must not be for services to plan enrollees for which the FQHC has been paid by the health plan for the delivery of patient care services
- Payments are "at risk" for pre-established clinical performance objectives or only payable if established performance standards are met by the FQHC
- Payments are grants from the plan or otherwise are designed to meet an important public purpose

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SAMPLE - ED DIVERSION

- Description: ABC Clinic contracted with primary care providers within their plan to offer an incentive grant to decrease the inappropriate utilization of ED care.
 Participating providers such as ABC clinic were given a detailed report of ER utilization by all eligible enrollees – benchmark period
- Measurement/Objectives: ABC clinic provided quarterly reports outlining enrollee ER usage to track utilization. At the end of the period, participating providers would receive 50% of the overall PMPM reduction - compared to benchmark period
- Payments: On December 29, 2014, ABC clinic received a one time payment for achieving objectives of \$811,000.

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• Copy of check is enclosed.

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EXAMPLES OF OTHER INCENTIVE PAYMENTS

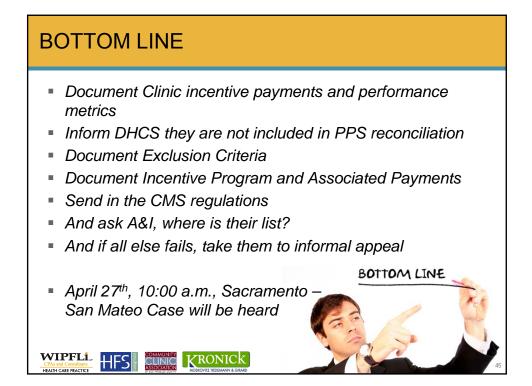
- ED Diversion & Shared Savings Program
- Comprehensive Hepatitis C Program
- Safety Net Provider Incentive Program
- Provider Recruitment and Retention Grant

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- Pay for Performance*****
- Buckets of Incentives keeps DHCS from making all inclusive incentive denial like the way did in the San Mateo case
 - Buckets within buckets!

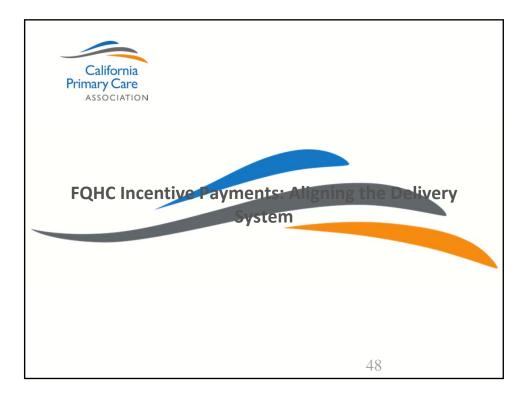
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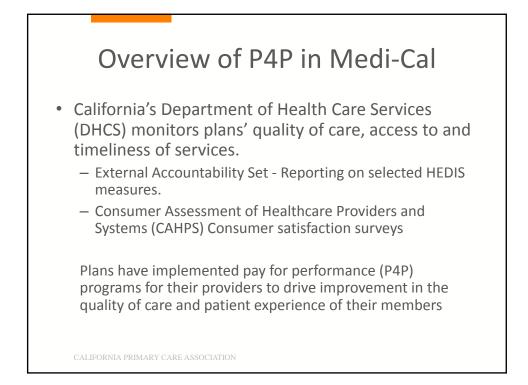
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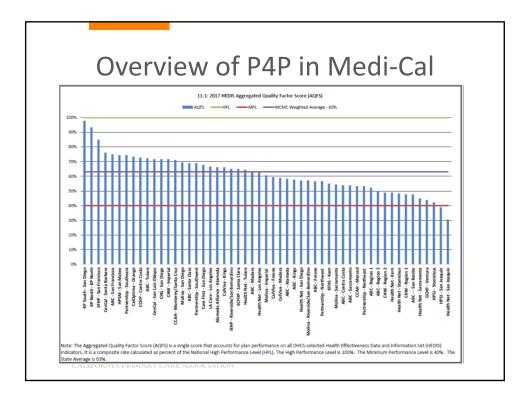


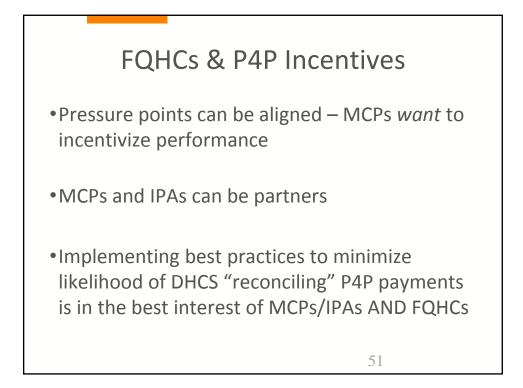


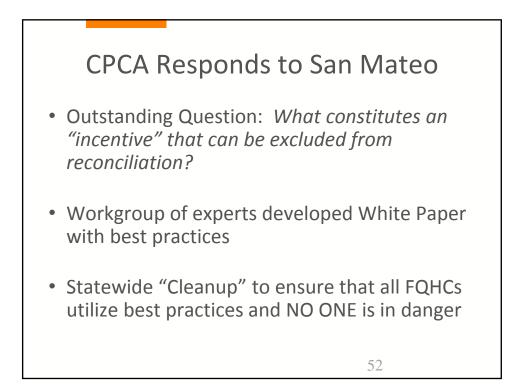


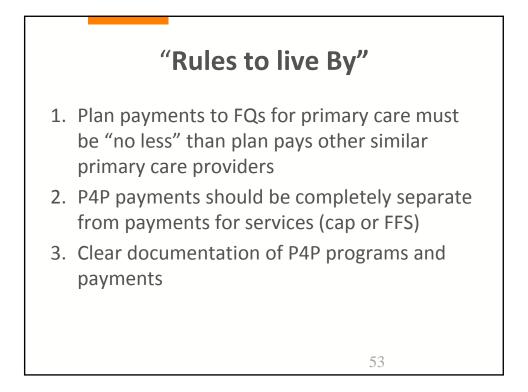


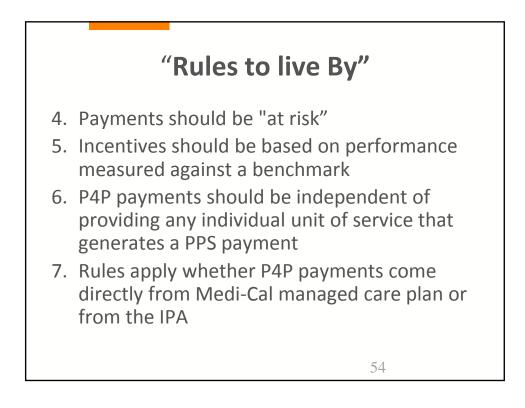


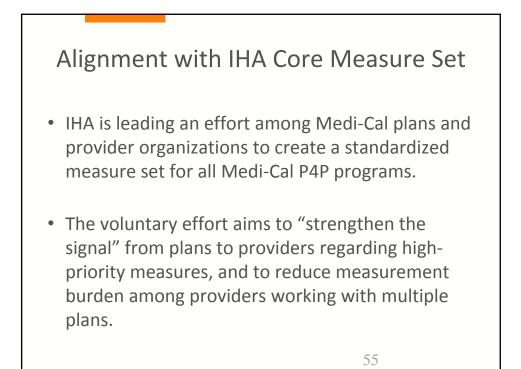












Domain	Measures	NQF #	Туре	DHCS Acronym	Alignment*
Cardiovascular	Annual Monitoring for Patients on Persistent Medications: ACE or ARB indicators	0021	Process	MPM-ACE & MPM-DIU	EAS, QRS, CMS
	Annual Monitoring for Patients on Persistent Medications: Diuretics indicator	0021	Process	MPM-ACE & MPM-DIU	EAS, QRS, CMS
	HbA1c Testing	0057	Process	CDC-HT	EAS, AA, QRS, CMS, NCQA
Diabetes Care	HbA1c Control	0575	Outcome	CDC-H8	EAS & QRS
	Eye Exam	0055	Process	CDC-E	EAS, QRS, NCQA
Maternity	Timeliness of Prenatal Care	1517	Process	PPC-Pre	EAS, AA, QRS, CMS, NCQA
	Childhood Immunizations, Combo 3	0038	Process	CIS-3	EAS, AA, QRS, CMS, NCQA, UDS
Prevention	Well-Child Visits in $3^{\rm rd},4^{\rm th},5^{\rm th},$ and $6^{\rm th}$ Years of Life	1516	Process	W-34	EAS, AA, QRS, CMS
	Cervical Cancer Screening	0032	Process	CCS	EAS, AA, QRS, CMS, NCQA, UDS
Respiratory	Asthma Medication Ratio	1800	Process	TBD	EAS, NCQA

QUESTIONS?	57