

## AHCCCS Value Based Purchasing (VBP) Activity

### AHCCCS is seeking comments on the following value based purchasing (VBP) proposals:

For the contracting year October 1, 2017 through September 30, 2018 [Contract Year Ending (CYE) 2018], select AHCCCS-registered Arizona providers which meet Agency established value based performance metrics requirements will receive a VBP Differential Adjusted Payment. The AHCCCS Administration is proposing these VBP Differential Adjusted rates to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area. At this time AHCCCS is considering value based purchasing differential adjusted rates for the following providers:

- Hospitals
- Nursing Facilities
- Integrated Clinics
- Physicians, Physician Assistants, and Registered Nurse Practitioners

VBP Differential Adjusted Payments are currently in place for select hospitals, Nursing Facilities and Integrated Clinics for dates of service beginning October 1, 2016. These adjusted payments expire after September 30, 2017, dates of service. The VBP Differential Adjusted Payments proposed in this Notice for CYE 2018 will begin with dates of service beginning October 1, 2017, and all hospitals, Nursing Facilities and Integrated Clinics will have the opportunity to be considered for meeting the criteria described further below.

Additionally AHCCCS is contemplating action to help spur activity in the marketplace relative to:

- Managed Care Organizations (MCOs) contracting with Treat & Refer providers
- MCOs advancing value based provider contracting pursuits

### **CYE 2018 VBP Differential Adjusted Rates:**

The VBP Differential Adjusted Payment Schedule represents a positive adjustment to the AHCCCS Fee-For-Service rates. The purpose of the VBP Differential Adjusted Payment is to distinguish providers which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. These fee schedules will be limited to dates of service in CYE 2018.

AHCCCS MCOs (including Regional Behavioral Health Authorities - RBHAs) will be required to pass-through VBP Differential Adjusted Payment increases to their contracted rates to match the corresponding AHCCCS Fee-For-Service rate increase percentages.

**Hospitals** (Provider Type 02) - Participation in the Network, the state's health information exchange (HIE), and achievement of Meaningful Use Stage 2, qualify the hospital for up to a 0.5% VBP Differential Adjusted Payment increase for both inpatient and outpatient services:

- "Participation in the Network" means: By April 30, 2017, the hospital must have executed an agreement with a qualifying health information exchange organization and electronically submit laboratory, radiology, transcription, and medication information, plus admission, discharge, and transfer information (including data from the hospital emergency department) to a qualifying

health information exchange organization

- “Achievement of Meaningful Use Stage 2” means: No sooner than January 3, 2017, and no later than February 28, 2017, CMS must have approved the hospital’s attestation demonstrating Meaningful Use Stage 2 as described in 42 CFR 495.22 during an electronic health record reporting period in 2016; or, for a children’s hospital that does not participate in the Medicare electronic health record incentive program, no sooner than January 3, 2017, and no later than the date established by CMS, the administration must have approved the hospital’s attestation demonstrating Meaningful Use Stage 2 as described in 42 CFR 495.22 during an electronic health record reporting period in 2016

AHCCCS is seeking input on two options for applying the VBP Differential Adjusted Payment increase; it is anticipated that only one option will be selected:

- (1) The hospital will be eligible for a 0.25% increase for meeting each variable (Participation in the Network and Achievement of Meaningful Use 2), thus having the potential to earn a 0.25% VBP Differential Adjusted Payment increase for meeting only one of the criteria, or having the potential to earn a 0.5% VBP Differential Adjusted Payment increase if both criteria are met
- (2) The hospital will be eligible for a 0.5% increase for meeting the criteria of Participation in the Network. There will be no VBP Differential Adjusted Payment increase for Achievement of Meaningful Use 2

If AHCCCS continues this increase beyond CYE 2018, it is anticipated that hospitals qualifying for the VBP Differential Adjusted Payment may qualify for an additional increase for inpatient and outpatient services effective October 1, 2018, if the hospital holds the following certification by April 30, 2018:

- Pediatric Prepared Emergency Care certification

**Nursing Facilities** (Provider Type 22) - Vaccination rates for pneumococcal and influenza vaccines at or above the statewide average based on Medicare Compare data qualifies the Nursing Facility for up to a 2% VBP Differential Adjusted Payment increase:

- **Percent of long-stay residents assessed and given, appropriately, the pneumococcal vaccine** based on the facility’s performance results on Medicare Nursing Home Compare for this Quality Measure: Facility results will be compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of April 30, 2017. Nursing Facilities that meet or exceed the Medicare Nursing Home Compare Arizona Average for the pneumococcal vaccine measure qualify for a 1% VBP Differential Adjusted Payment increase

AND/OR

- **Percent of long-stay residents assessed and given, appropriately, the influenza vaccine** based on the facility’s performance results on Medicare Nursing Home Compare for this Quality Measure: Facility results will be compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of April 30, 2017. Nursing Facilities that meet or exceed the Medicare Nursing Home Compare Arizona Average for the Influenza vaccine measure qualify for a 1% VBP Differential Adjusted Payment increase

Nursing Facilities will be eligible for a 1% increase for meeting each variable, thus having the potential to earn up to a 2% VBP Differential Adjusted Payment increase if both criteria are met.

**Integrated Clinics** (Provider Type IC) – AHCCCS registration as an Integrated Clinic qualifies the IC for a 10% VBP Differential Adjusted Payment increase for select codes:

- An Integrated Clinic is a provider licensed by the Arizona Department of Health Services as an Outpatient Treatment Center which provides both behavioral health services and physical health services. The VBP Differential Adjusted Rates will be paid for select physical health services and will provide an increase of 10% over the AHCCCS Fee-For-Service rates for those dates of service in CYE 2018 that coincide with the provider's registration as an IC

Physical health services which qualify for the increase include Evaluation and Management (E&M) codes, vaccine administration codes, and a global obstetric code. See the attachment for the specific list of codes which are proposed to increase for purposes of VBP

If AHCCCS continues this increase beyond CYE 2018, it is anticipated that, in order to qualify for a VBP Differential Adjusted Payment increase, the IC provider will be required to have an executed agreement with the Network, the state's HIE, and submit data to the Network.

**Physicians, Physician Assistants, and Registered Nurse Practitioners** (Provider Types 08, 31, 18, 19) – Physicians, physician assistants, and registered nurse practitioners who have written at least 100 prescriptions for AHCCCS members, and who have written at least 50% of their total AHCCCS prescriptions as Electronic Prescriptions (E-Prescriptions) will qualify for a 1% VBP Differential Adjusted Payment increase for all services billed on the CMS Form 1500.

E-Prescription statistics will be identified by the AHCCCS provider ID for the prescribing provider, and computed by AHCCCS based on the following factors:

- Only approved and adjudicated AHCCCS encounters for July 1, 2016 through December 31, 2016 dispense dates will be utilized in the computations
- AHCCCS will not consider any other data when determining which providers qualify for the VBP Differential Adjusted Payment increase
- E-Prescriptions include those prescriptions generated through a computer-to-computer electronic data interchange protocol, following a national industry standard and identified by Origin Code 3
- Refills of original prescriptions whereby the original prescriptions meet the definition of E-Prescriptions shall not be counted as E-Prescriptions

The VBP Differential Adjusted Payment will apply to claims for covered AHCCCS services where the rendering provider ID on the claim is the same as the prescribing provider ID that was identified and found to meet the VBP criteria described above.

If AHCCCS continues this increase beyond CYE 2018, physicians, physician assistants, and registered nurse practitioners who meet the E-Prescription criteria will see a VBP Differential Adjusted Payment *increase* for all services effective October 1, 2018. It is anticipated that physicians, physician assistants, and registered nurse practitioners do not meet the E-Prescription criteria will see a VBP Differential Adjusted Payment *decrease* for all services effective October 1, 2018.

**The following is the anticipated timeline regarding VBP Differential Adjusted Payments:**

<b>Activity</b>	<b>Date</b>
Post Public Notice (this document)	January 18, 2017
Public Notice Public Comments Due	February 17, 2017
Tribal Consultation	March 2017
Post Notice of Proposed Rulemaking (NPRM)	April 2017
NPRM Public Comments Due	May 2017
Submit State Plan Amendment to CMS	May 2017
Implement VBP Differential Adjusted Payments	October 1, 2017 – September 30, 2018 Dates of Service

*Note: Dates are subject to change*

AHCCCS anticipates that the criteria for VBP Differential Adjusted Payments could change for CYE 2019 and may differ for inpatient and outpatient services. AHCCCS also expects to expand VBP Differential Adjusted Payments to other provider types for CYE 2019. VBP Differential Adjusted Payments noted above may change based on budgetary guidelines.

**CYE 2018 VBP Marketplace Activity:**

AHCCCS is seeking feedback from MCOs and providers about potential MCO contract requirements for CYE 2018 to further efforts to improve members' health outcomes, and to continue to lead efforts to bend the health care cost curve to sustainable levels.

***MCO Contracts with Treat & Refer Providers***

- AHCCCS Acute Care MCOs and RBHAs will be mandated to contract with Treat & Refer providers as follows:
  - If there are at least three Treat & Refer providers registered with AHCCCS in any/all areas served by the Acute Care MCO, the MCO must enter into a contract with at least one
  - If there are at least two Treat & Refer providers registered with AHCCCS in any/all areas served by the RBHA, the RBHA must enter into a contract with at least one

***Advancing Value Based Provider Contracts***

- AHCCCS MCOs will be required to move to the Health Care Payment Learning and Action Network (LAN) Alternative Payment Model [Framework](#) with a focus on Categories 2, 3 and 4 effective October 1, 2017
  - Included under this requirement is a sub-requirement for Categories 3 and 4 only, with increasing expectations for Categories 3 and 4 over time
- The table below provides future MCO VBP targets regarding the percentage of payments that must be governed by VBP contracts

	Acute	ALTCS EPD (EPD/DSNP)	CRS	RBHA		ALTCS DDD		LAN 2-4*	
				SMI- Integrated	Non- Integrated	Sub- Contractors	LTSS	2-4	3-4 Sub-Req.
CYE 18 Anticipated	50%	35%/35%	50%	25%	10%	20%	5%	40%	5%
CYE 19 Anticipated	60%	50%/50%	60%	35%	20%	35%	10%	50%	10%
CYE 20 Anticipated	70%	60%/60%	70%	50%	35%	50%	20%	60%	20%
CYE 21 Anticipated	70%	70%/70%	70%	60%	50%	60%	35%	70%	40%

\*LAN Category targets have not yet been allocated by line of business

Written comments may be submitted to the following email address and must be received no later than 5:00 p.m. on February 17, 2017: [FFSRates@azahcccs.gov](mailto:FFSRates@azahcccs.gov)