



Impact of COVID-19 on Medicaid Managed Care Performance Incentives

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STATE
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About State Health and Value Strategies

State Health and Value Strategies (SHVS) assists states in their efforts to transform health and health care by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's Woodrow Wilson School of Public and International Affairs. The program connects states with experts and peers to undertake health care transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies, and brings together states with experts in the field. Learn more at www.shvs.org.

Questions? Email Heather Howard at heatherh@Princeton.edu.

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Housekeeping Details

All participant lines are muted. If at any time you would like to submit a question, please use the Q&A box at the bottom right of your screen.

After the webinar, the slides and a recording will be available at **www.shvs.org**.

COVID-19 Resources for States

State Health and Value Strategies has created an accessible one-stop source of COVID-19 information for states at www.shvs.org/covid19/.

The webpage is designed to support states seeking to make coverage and essential services available to all of their residents, especially high-risk and vulnerable people, during the COVID-19 pandemic.

About Bailit Health

Bailit Health is a health policy consulting firm dedicated to ensuring insurer and provider performance accountability on behalf of public agencies. We primarily work with states to take actions that positively influence the performance of the health care system and support achievement of measurable improvements in health care quality and cost management.

For more information, visit: www.bailit-health.com.

Today's Presenters and Discussants



Erin Taylor

Senior Consultant,
Bailit Health



Michael Wagner

Director of Quality for
Payment and Care Delivery
Innovation (PCDI),
Massachusetts Medicaid
(MassHealth)



Tom Curtis

Manager Quality
Improvement and
Program Development,
Michigan Department of
Health & Human Services

Presentation Overview

1. Welcome and Context
2. COVID-19 Impact on Medicaid Managed Care Performance Incentives – Issues and Policy Options
 - 2019 Quality Measurement
 - 2020 Quality Performance
 - 2020 Cost Performance

Context

- States, MCOs and providers have begun to consider the impact that changes in care delivery from COVID-19 will have on health care quality and spending
- States are examining managed care incentive arrangements to evaluate the potential impact on quality and cost performance requirements
 - Arrangements may include financial consequences that may be tied to quality measures, utilization measures and total cost of care

Performance Incentive Impact Areas

Immediate Impact

**2019 Quality
Measurement**

**2020 Quality
Performance**

**2020 Cost
Performance**

2019 Quality Measurement

ISSUE

Activity to evaluate 2019 health plan and provider performance would typically include medical records reviews *right now*

- Primary care and hospital attention is on practices and protocols to respond to the public health emergency
- Staff usually involved in quality reporting may be redeployed for patient care, or even furloughed
- Social distancing inhibits reviewers going on-site to look at medical records

2019 Quality Measurement: Policy Options

1. Extend the reporting deadline for 2019 quality data (e.g. HEDIS 2020)
 - Example: CMS extended quality reporting deadlines for MIPS, the Medicare Shared Savings Program (MSSP) and other Medicare quality incentive programs
2. Assess virtual/online medical record review and/or communication of needed information by fax/mail, and promote if feasible
 - Example: NCQA is encouraging MCOs to use medical record procurement processes that do not require travel, including virtual/online reviews and fax/mail

2019 Quality Measurement: Policy Options

3. Permit prior year rates to apply for 2019 for measures not able to be reported
 - Example: For measures reported using the hybrid methodology only, NCQA is allowing MCOs to report their audited HEDIS 2019 hybrid rate if it is better than their HEDIS 2020 hybrid rate, and recommends states do the same if MCOs have a low record retrieval rate.

4. Exempt or waive reporting requirements entirely
 - Example: CMS will not require Medicare plans to submit HEDIS 2020 data covering measurement year 2019. Medicare health plans and drug plans are also not required to submit CAHPS survey data.

2019 Quality Measurement: Policy Options

5. Designate a quality score for MCOs or providers not able to report for 2019
 - Example: CMS will assign a performance weight of zero percent to clinicians eligible for the Merit-based Incentive Payment System (MIPS) who do not submit 2019 quality measurement data. This means there will be no payment adjustment for quality for the year.

2019 Quality Measurement: Policy Options

1. Extend the reporting deadline for 2019 quality data
2. Promote virtual/online medical record review and/or communication of needed information by fax/mail and promote if feasible
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2020 Quality Performance

ISSUE

Plan & provider performance on many, but not all, 2020 quality measures will suffer as a result of the COVID-19 pandemic

- Changes in outpatient care delivery will reduce visits for preventive care and access-related quality measures
 - **Reduced care seeking** due to:
 - social distancing
 - discouragement of care for those without urgent need
 - reduced income
 - increased anxiety and depression
 - increased social risk factors
 - **Postponement of elective services**
 - **Substitution of office visits with telehealth services** when some preventive services, per existing HEDIS specifications, need to be provided in person, e.g., BMI assessment

2020 Quality Performance: Policy Options

1. Hold harmless for 2020 performance
2. Transition measures to pay-for-reporting
3. Modify performance expectations based on likelihood of impact
 - Remove or reduce weighting for measures most likely to be affected by COVID-19

2020 Quality Performance: Policy Options

4. Use prior year performance
5. Use partial year performance
 - Example: CMS is not counting CY20 Q1 and Q2 data for its hospital and post-acute care provider quality programs
6. Evaluate on the merits of performance improvement plans
 - Example: Move away from metrics altogether and use PIP implementation and progress as a measure of performance

2020 Quality Performance: Policy Options

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2. Transition measures to pay-for-reporting
3. Modify performance expectations based on likelihood of impact
4. Use prior year performance
5. Use partial year performance
6. Evaluate on the merits of performance improvement

2020 Cost & Utilization Performance

ISSUE

Cost and utilization targets have been set based on prior experience; 2020 expenditures will be skewed, impacting both performance year and future year comparisons, and thus associated savings / losses

- Cost and utilization impact are currently hard to predict
- Increased utilization of high-cost services, low-margin inpatient services (e.g., inpatient medicine, ICU)
- Sharp reduction in elective procedures, non-urgent care and preventive services
- Duration of care pattern changes are unclear due to uncertain course of COVID-19 and behavior change

2020 Cost Performance: Policy Options

1. Hold harmless for cost and utilization performance-related penalties
2. Limit the amount of shared losses that must be paid back
 - Example: CMS MSSP (42 CFR Part 425 Medicare Shared Savings Program)
3. Delay expectations for moving to downside risk or increasing the amount of risk shared

2020 Cost Performance: Policy Options

4. Remove COVID-19-related utilization from cost and utilization performance analyses
 - Example: CMS SNF VBP: qualifying claims will be excluded from claims-based SNF 30-day ACR measure for Q1 and Q2
5. Cap financial gains that may occur due to drops in non-COVID-related utilization
6. Limit, or eliminate, both gains and losses for 2020

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Discussion

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Thank You

Heather Howard

Director

State Health and Value Strategies

heatherh@Princeton.edu

609-258-9709

www.shvs.org

Dan Meuse

Deputy Director

State Health and Value Strategies

dmeuse@Princeton.edu

609-258-7389

www.shvs.org

Erin Taylor

Senior Consultant

Bailit Health

etaylor@bailit-health.com

781-559-4704

www.bailit-health.com

Appendix

Reference Links

- CMS
 - Medicare and Medicaid Programs; Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency CMS Interim Final Rule: <https://www.cms.gov/files/document/covid-final-ifc.pdf>
 - CMS memo, March 22, 2020: CMS Announces Relief for Clinicians, Providers, Hospitals and Facilities Participating in Quality Reporting Programs in Response to COVID-19: <https://www.cms.gov/newsroom/press-releases/cms-announces-relief-clinicians-providers-hospitals-and-facilities-participating-quality-reporting>
 - 42 CFR Part 425 Medicare Shared Savings Program
 - Extreme and uncontrollable circumstances policy related to the calculation of shared losses
 - SNF example: <https://www.cms.gov/newsroom/press-releases/cms-announces-relief-clinicians-providers-hospitals-and-facilities-participating-quality-reporting>

Reference Links

- Oregon Health Authority
 - <https://www.oregon.gov/oha/HPA/ANALYTICS/CCOMetrics/COVID-CCOresponse-QualityPool-03272020-final.pdf>
 - <https://www.oregon.gov/oha/HPA/ANALYTICS/CCOMetrics/2020.04.08-COVID-19-CCO-metrics-TAG-update.pdf>
- NCQA
 - <https://www.ncqa.org/hedis/measures/hedis-and-covid-19/>
 - <https://www.ncqa.org/covid/>