Session 3
Establishing Effective Contracts with Payers

September 20, 2018

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AIDS UNITED

Community LEADERSHIP
BUILDING
Policy & Advocacy Formative Research
Strategy Grantmaking
CAPACITY BUILDING Technical Assistance
AIDS United is a national, non-profit organization with a singular mission and focus to end AIDS in the US.
AIDS UNITED – What We Do

• We lead the charge for responsive and effective federal, state, and local policies that benefit people living with and at risk for HIV

• We invest in innovative models to meet the needs of communities affected by HIV/AIDS

• We have given more than $104M in direct funding and leveraged $117M to increase capacity of communities and organizations responding to HIV in the US

• We inform the field with best practices and lessons learned
AIDS UNITED – How We Do It

• We advance advocacy based on sound public policy; strategic grantmaking to affected communities; targeted & tailored capacity building for organizations responding to the epidemic; and, research & evaluation to inform the field.

• We work within a social justice framework that challenges the foundational issues of racism, sexism, homophobia and transphobia, socioeconomic inequality, gender discrimination, and stigma.
Individual Coaching

Any HCBO interested in individual coaching by The Menges Group regarding establishing and strengthening relationships with payer organizations should reach out to Zach Ford and/or Paola Barahona at AIDS United’s Sector Transformation email address, ST@aidsunited.org

After eligibility screening, HCBOs will be put in contact with The Menges Group to set up introductory meetings
Speakers

Joel Menges  
Chief Executive Officer

Poornima Singh  
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Research Consultant
Session 3

• **Goals:** Understand key elements of payer contracting that will allow for achievable outcomes and sustainable relationships

• **Outline:**
  - Choose targeted services
  - Document the value you deliver
  - Identify quality metrics
  - Establish appropriate pricing and payment terms
TARGETED SERVICES
Factors to Consider

- What are the HCBO’s existing expertise and capacity?
- What are the various needs of the MCO?
- What services are Medicaid-covered?
- What are the community’s needs?
Partnership Opportunities

• MCOs need to compete effectively with other payers and are being required to demonstrate community ties.

• MCOs have a difficult time locating many of their Members living with HIV.

• Costly ARV therapies pose many challenges for MCOs in serving PLHIV.

• MCOs have their own care coordination staff and enlisting outside support for Members living with HIV will have varying levels of receptivity.

• HCBOs are embedded in the communities they serve and have a strong handle on the social context and medical needs of the Member.

• HCBOs are an ideal liaison to help build better MCO-Member relationships.

• HCBOs have the ability to help MCOs monitor Members’ ARV therapy adherence.

• HCBOs can serve as the on-the-ground extension of MCO’s care coordination staff model – across PLHIV and other high need populations.
Example Services to Provide

- Identification of persons not in care
- Locating and engaging with persons that the MCO is not able to contact
- Weekly or monthly follow-up visits
- Transportation support
- Accompanying the member to medical and/or behavioral health appointments
- Medication adherence support
- Housing support
- Psychosocial assessments
- Medicaid eligibility assistance
DOCUMENTING YOUR VALUE
How Can HCBO’s Convey Their “Value Proposition” to the Payer Community?

• Statistical accomplishments
• Surveys of existing clients (comparing their circumstances and health care usage prior to engaging with the HCBO with same dynamics since engaging with the HCBO)
• Case study vignettes – here was “Stu” when he first accessed our support; here’s what we did for Stu, here is Stu now
PERFORMANCE METRICS
Relying on Sound Data and Related Analytics

• HCBO and MCO can collaborate to develop cost and quality measures to incentive an aligned “win-win” for all involved parties – the health plan, the enrollees, the HCBO, and the government entities contracting with the health plan

• Encourage creation of a data file containing detailed (although de-identified) information about the MCO’s HIV-positive members

• Optimal data sharing will allow the MCO and HCBO to identify initial population best-suited to include in the contract, and to track performance
Examples of Performance Metrics to Create Value-Based Payment Arrangement

- HIV Viral Load Suppression
- Access and Adherence to HIV Antiretroviral Therapy
- HIV Medical Visit Frequency Follow-Up After ED Visit for Mental Illness
- Follow-Up After ED Visit for Alcohol or Other Drug Dependence
- Average hospitalizations and ED visits per person per year
PAYMENT TERMS
Pricing Offered Services

• **Tool D. Cost and Pricing Derivation Worksheets** can assist in establishing initial prices for contracting partnership and performance assessments
  - Staff salaries and hourly rates
  - Labor efforts
  - Contract revenue summary
Pricing Structures

• The MCO would pay a monthly care coordination fee to the HCBO for each assigned member based on the package of services being rendered.

• Offer other payment and financing structures that help "stair-step" toward higher levels of risk.
  o Example: quality incentive payments.
APM Framework

Category 1
Fee for Service – No Link to Quality & Value
A
Foundational Payments for Infrastructure & Operations
B
Pay for Reporting
C
Rewards for Performance
D
Rewards and Penalties for Performance

Category 2
Fee for Service – Link to Quality & Value

Category 3
APMs Built on Fee-for-Service Architecture
A
APMs with Upside Gainsharing
B
APMs with Upside Gainsharing/Downside Risk

Category 4
Population-Based Payment
A
Condition-Specific Population-Based Payment
B
Comprehensive Population-Based Payment
Value-Based Payment Mechanism

• Service fees could be discounted (e.g., by 10-20%) with repayment contingent on achievement of specific access, quality, and cost metrics

• Exceeding these objectives would trigger bonus compensation
  o Top bonus opportunity could be symmetrical to the up-front fee discount (e.g., a 20% bonus opportunity would exist in concert with a 20% fee discount)
Questions?
Upcoming Webinars in this Series

October 11th: Creating the Pilot Program

November 15th: Collaborative Learning

December 6th: Next Steps
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