Supporting HIV-Focused Community Based Organizations in Contracting with Payers

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The Menges Group
Strategic Health Policy & Care Coordination Consulting

This webinar being recorded

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AIDS United

AIDS United, in partnership with The Menges Group, is pleased to announce a webinar series to significantly broaden HCBOs' educational access to HCBO-payer contracting techniques:

- July 2018: HCBO-Payer Relationship
- August 2018: Reaching out to Payers
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- October 2018: Creating the Pilot Program
- November 2018: Collaborative Learning
- December 2018: Next Steps

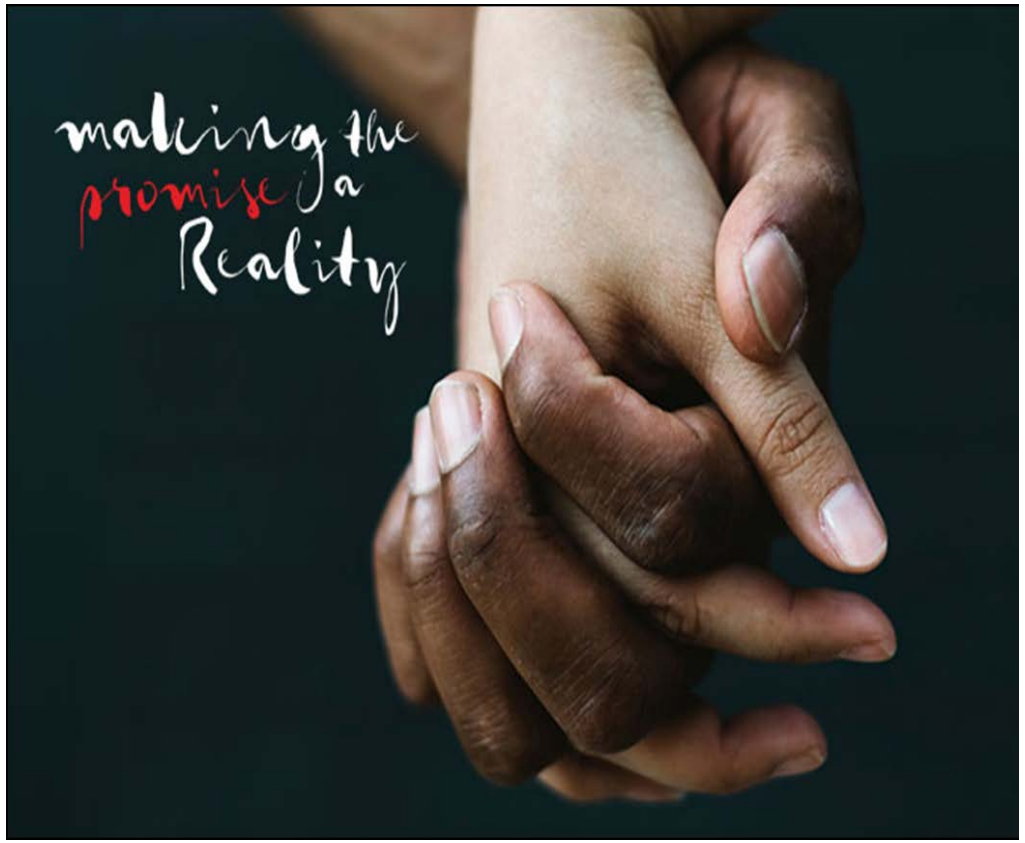
One-on-one coaching with The Menges Group will be available on a first come, first serve basis.

Specific dates TBD – please sign up for AIDS United emails or visit aidsunited.org/webinars to learn more!

Presentation Outline

- AIDS United Overview
- Toolkit Project Background
- Managed Care Landscape
- Case Studies
- Contracting Mechanisms and Considerations
- Key Policy Recommendations

AIDS UNITED



Community LEADERSHIP
BUILDING
Policy & Advocacy
Strategy
Formative Research
Grantmaking
CAPACITY BUILDING
Technical Assistance

AIDS UNITED – Who We Are

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

Unmatched National and Local Leadership to:

- Create seamless service models, that tap into existing capacity and expertise;
- Ensure HIV sector relevance in the midst of changes in healthcare policy, financing and service delivery models; and
- Respond to mounting sustainability challenges

Johnson & Johnson

AIDS United

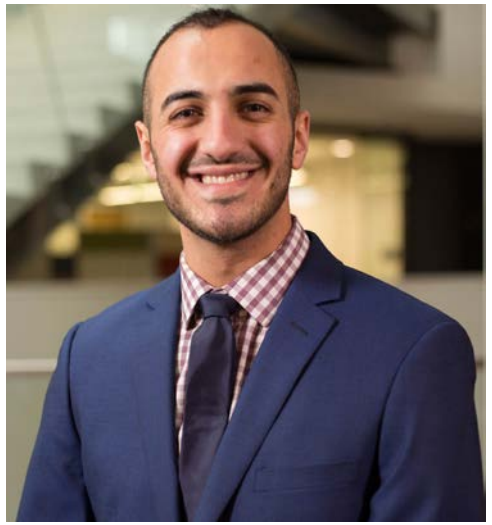
Speakers

Joel Menges

Chief Executive Officer

Poornima Singh

Vice President, Director, Government Contracting and Correctional Health Services



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Research Consultant

The Menges Group

Toolkit Project Background

- HIV-focused Community Based Organizations (HCBOs) have vast experience in coordinating care for their clients, but have contracted with payers for these services on a very limited scale
- AIDS United funded this project to assist HCBOs in establishing successful and lasting contracts with payers that benefit all involved organizations and individuals
- Four HCBOs participated as ‘case studies’ to help us understand and convey their strengths and challenges, identify lessons learned, and develop tools to support engagement with managed care organizations (MCOs)

Funding Sources

- Overall, Federal domestic spending for the treatment and research of HIV/AIDS has risen 20% from FY2012 to FY2016
- Medicaid and Medicare programs accounted for 60% of FY2016 federal HIV expenditures
- Rising medical costs and decreased allocation of federal funding to the Ryan White HIV/AIDS Program has left HCBOs without a sustainable funding source

Federal Spending on HIV/AIDS Care and Research					
Program	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Total Domestic Spending ($ Billions)	$22.00	$22.50	$23.90	$25.50	$26.40
Medicare	35%	37%	37%	37%	38%
Medicaid (excludes state share)	18%	19%	20%	22%	22%
Ryan White Program	11%	10%	10%	9%	9%

Overview of the Four Case Studies

Name of Organization	Location	Staff Size	Payer Relationship Status
AIDS Foundation of Chicago (AFC)	Chicago, IL	110 employees	Contracted with three MCOs to assist locating difficult to reach members, providing HIV testing, and delivering care coordination services to selected HIV+ members.
Cascade AIDS Project (CAP)	Portland, OR	Approx. 60 employees	During the period of this case study, met with a large OR payer to discuss a potential partnership and is seeking to establish an initial meeting with at least one other large OR payer.
CrescentCare	New Orleans and Southeastern LA	More than 270 employees and 600 volunteers	Had discussions with payers but unsuccessful in establishing partnership opportunities.
RAIN	Charlotte, NC	Fewer than 20 employees	Has begun contacting payers to discuss pilot initiatives.

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

Key Challenges HCBOs Face in Payer Contracting

- Establishing contact with the payer community: many HCBOs have never explored these types of contracts with any specific payer and don't know where to begin.
- Demonstrating their value: HCBOs have found it difficult to make a compelling "why us?" case to MCOs.
- Access to clinical and social information: HCBOs are disadvantaged in coordinating care when they do not have access to the data MCOs capture.

Contracting Mechanisms and Considerations

- Identifying which payers cover a significant number of PLHIV
- Proactively contacting the payer community
- Identifying services to include in an MCO/HCBO contract
- Creating a data-driven partnership Establishing a pricing structure for a pilot program
- Tracking performance and making appropriate modifications to the arrangement

Public Policy Considerations to Improve HIV Care within Managed Care Programs

- ARV adherence and viral load to be used as quality metrics by Medicaid agencies and MCOs
- MCOs and other entities should be required to report and held responsible for HIV-specific quality measures through performance incentives
- Pharmacy “carve-out” of HIV medications in Medicaid managed care programs to eliminate financial disincentives for MCOs to push for better access to and adherence with ARV
- AIDS United can assist in updating MCO’s drug formulary for HIV-related medications to steer volume toward clinically- and cost-effective drugs

Q&A

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Toolkit – Resource Materials Included with the Report

- Tool A. Medicaid Costs and Utilization of HIV/AIDS Prescription Drugs
- Tool B. Medicaid Managed Care Model Contracts
- Tool C. Medicaid MCOs by State and Enrollment Level
- Tool D. Medicare Advantage Enrollment by MCO & State, March 2017
- Tool E. List of Blue Cross and Blue Shield Companies by State
- Tool F. Sample Introduction Letter to a Payer
- Tool G. Cost and Pricing Derivation Worksheets for ASO Services
- Tool H. Milliman Cost Derivation for Case Management Support
- Tool I. Cost of HIV/AIDS Care – Medicare Index Tool
- Tool J. Bibliography of Selected HIV/AIDS Care Articles

Tool A. Medicaid Costs and Utilization of HIV/AIDS Prescription Drugs

State	Total Rx	Total Unit	Total $	Total $/Rx	MCO Rx	MCO Units	MCO $	MCO $/Rx	FFS Rx	FFS Units	FFS $	FFS $/Rx
DC	305	11,332	$316,240	$1,037	18	490	$9,914	$551	282	10,272	$304,806	$1,081
Florida	64,653	2,537,168	$83,684,665	$1,294	55,501	2,110,364	$72,308,048	$1,303	8,719	400,921	$11,174,364	$1,282
Georgia	15,883	631,573	$20,250,244	$1,275	2,269	102,484	$3,142,795	$1,385	13,528	525,790	$17,072,981	$1,262
Idaho	348	14,092	$423,029	$1,216	-	-	-	-	345	14,002	$421,385	$1,221
Illinois	26,890	1,015,420	$32,503,211	$1,209	19,353	728,320	$23,819,582	$1,231	7,328	281,570	$8,592,302	$1,173
Indiana	4,102	174,424	$5,892,800	$1,437	3,434	129,180	$4,980,885	$1,450	655	44,829	$904,381	$1,381
Iowa	2,278	85,477	$3,256,052	$1,429	-	-	-	-	2,278	85,477	$3,256,052	$1,429
Kansas	436	16,516	$646,995	$1,484	432	16,396	$639,110	$1,479	-	-	-	-
Kentucky	3,016	109,696	$4,004,428	$1,328	2,884	105,197	$3,864,669	$1,340	111	4,102	$132,991	$1,198
Louisiana	10,373	411,321	$13,365,204	$1,288	9,525	374,807	$12,474,482	$1,310	757	34,048	$845,625	$1,117
Maine	2,094	77,506	$2,671,297	$1,276	-	-	-	-	2,088	77,326	$2,668,050	$1,278
Maryland	29,631	1,094,349	$42,096,250	$1,421	35	47	$1,742	$50	29,395	1,084,412	$41,987,454	$1,428
Massachusetts	16,024	638,568	$23,289,360	$1,453	6,200	268,416	$10,349,711	$1,669	9,767	368,909	$12,918,087	$1,323
Michigan	17,715	664,746	$26,054,314	$1,471	-	-	-	-	17,649	662,766	$26,017,682	$1,474
Minnesota	5,229	181,573	$7,466,720	$1,428	4,290	147,250	$6,300,819	$1,469	912	33,513	$1,152,699	$1,264
Mississippi	3,863	160,445	$5,438,962	$1,408	3,097	129,136	$4,389,434	$1,417	759	31,165	$1,046,793	$1,379
Missouri	6,005	221,544	$8,128,936	$1,354	-	-	-	-	5,950	218,978	$8,104,477	$1,362
Montana	238	9,150	$309,285	$1,300	-	-	-	-	238	9,150	$309,285	$1,300
Nebraska	1,282	56,314	$1,604,114	$1,251	12	12	$327	$27	1,270	56,302	$1,603,787	$1,263
Nevada	5,793	205,060	$8,320,723	$1,436	3,697	125,471	$5,694,848	$1,540	2,070	78,845	$2,612,169	$1,262
New Hampshire	735	26,708	$1,054,352	$1,434	703	25,688	$996,938	$1,418	32	1,020	$57,414	$1,794
New Jersey	36,314	1,351,419	$47,131,281	$1,298	33,904	1,265,648	$44,498,702	$1,312	2,289	79,686	$2,578,816	$1,127
New Mexico	41	1,628	$59,669	$1,455	-	-	-	-	41	1,628	$59,669	$1,455
New York	156,469	5,725,023	$193,095,435	$1,234	137,873	4,949,584	$172,184,151	$1,249	18,044	747,726	$20,661,387	$1,145
North Carolina	14,873	593,370	$19,695,016	$1,324	-	-	-	-	14,801	588,303	$19,667,101	$1,329

Source: CMS State Drug Utilization Data Files Quarter 3 of 2015, sorted and formatted by The Menges Group

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Tool F. Sample Introduction Letter to a Payer

Date

Name
Title
Organization
Address
Address
City/State/Zip

Dear Name:

As you may know, xxx has provided peer support and case management support to persons with HIV in the XXX area throughout the past XX years. Background information about our organization can be obtained from our website at https://www.XXX.org/

We would like to explore a contractual partnership to deliver optimal care coordination to selected Payer Name enrollees who are infected with HIV. We believe this partnership can achieve the following:

- Improve care for persons with HIV through a tailored care coordination effort.
- Deliver cost savings for Payer Name, focusing on those persons where the interventions and supports are most likely to yield a net savings. Our suggested approach will test the model on a relatively modest scale, so that the results can be discerned and the program can be expanded or modified as appropriate.
- Position both of our organizations more successfully for the evolution of XXX's Medicaid program, to fully leverage the benefits of a localized, tailored, and "hands-on" model of outreach.
- Retaining enrollees in care.

The services we believe would be most valuable to Payer Name (and to your HIV-positive members) include:

- Initial home or office visit, obtaining data to support future actions by both Payer Name and ASO Name
- Ongoing follow-up by the ASO Name case manager with member's care team including the primary prescriber of antiretrovirals, other front-line providers seen, key local caregiver(s), support service providers, etc.
- Directly providing meals, other nutrition supports, and/or dietary education
- Medication adherence support (directly-observed therapy by peer support personnel, counseling, pillboxes, etc.)

ASO Name would like to invite Payer Name to our City Name office to discuss the potential opportunities for a partnership, as well as to give Payer Name a direct view of the services we offer and our personnel's capabilities and commitment. We are also happy to meet at your offices.

I can be reached via email at xxx and by phone at yyy-yyy-yyyy. We very much look forward to meeting with you.

Sincerely,

Name

Title

Tool G. Cost and Pricing Derivation Worksheets for HCBO Services

Staff Position	Name of Individual	Annual Salary	Benefits Loading Factor	Organizational Overhead Loading Factor	Full Cost	Fully Loaded Hourly Rate	Target Profit Margin	Hourly Rate with Profit
Registered Nurse	John Doe	$60,000	0.25	0.3	$93,000	$44.71	15%	$51.42
Licensed Clinical Social Worker	John Doe	$45,000	0.25	0.3	$69,750	$33.53	15%	$38.56
Licensed Practical Nurse	John Doe	$45,000	0.25	0.3	$69,750	$33.53	15%	$38.56
Licensed Social Worker	John Doe	$45,000	0.25	0.3	$69,750	$33.53	15%	$38.56
Manager	John Doe	$75,000	0.25	0.3	$116,250	$55.89	15%	$64.27
Community Outreach Worker Level I	John Doe	$30,000	0.25	0.3	$46,500	$22.36	15%	$25.71
Community Outreach Worker Level II	John Doe	$35,000	0.25	0.3	$54,250	$26.08	15%	$29.99
Community Outreach Worker Level III	John Doe	$40,000	0.25	0.3	$62,000	$29.81	15%	$34.28
Administrative Assistant	John Doe	$30,000	0.25	0.3	$46,500	$22.36	15%	$25.71
Housing Case Manager	John Doe	$40,000	0.25	0.3	$62,000	$29.81	15%	$34.28
Behavioral Health Coordinator	John Doe	$50,000	0.25	0.3	$77,500	$37.26	15%	$42.85
Peer Support Specialist	John Doe	$35,000	0.25	0.3	$54,250	$26.08	15%	$29.99
Navigator	John Doe	$30,000	0.25	0.3	$46,500	$22.36	15%	$25.71
HIV Prevention Specialist	John Doe	$45,000	0.25	0.3	$69,750	$33.53	15%	$38.56
PrEP Navigator	John Doe	$40,000	0.25	0.3	$62,000	$29.81	15%	$34.28
Driver	John Doe	$25,000	0.25	0.3	$38,750	$18.63	15%	$21.42
Data Specialist	John Doe	$50,000	0.25	0.3	$77,500	$37.26	15%	$42.85
Medical Director	John Doe	$200,000	0.25	0.3	$310,000	$149.04	15%	$171.39
Other	John Doe	$50,000	0.25	0.3	$77,500	$37.26	15%	$42.85
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