

**Accountability & Innovation in MMC Package**

| Discussion Items   | <u>Straw Proposal #7: Shared Savings for Medi-Cal managed care plans</u>   | <u>Straw Proposal #3: P4P for Medi-Cal Providers</u>   | <u>Straw Proposal #5: Shared Savings for Medi-Cal Providers</u>   |
|--|--|--|---|
| <b>Summary of Work Group Feedback</b>  | NEW PROPOSAL   | <p>Opinions varied on standardization vs. flexibility and no real consensus emerged. Snapshot of feedback below.</p> <ul style="list-style-type: none"> <li>DHCS should tell MMC plans the goals they want to focus on and allow plans the flexibility to tailor approach based on local needs; lack of standardization is not a problem</li> <li>Current system lacks the ability to compare provider performance statewide – statewide metrics would accomplish this goal</li> <li>Plans pick P4P measures based on what they are being held accountable for, such as auto-assignment or HEDIS. Opportunity for statewide metrics and plan delivery tailored to local needs</li> <li>Overarching caution: plans are not starting at the same place and some plans may be at a disadvantage.</li> </ul> | <ul style="list-style-type: none"> <li>The funding issue is a problem. Medi-Cal is the lowest payer and this proposal assumes there is a lot of savings to be shared. There would need to be new money.</li> <li>Medi-Cal has a very different population and set of providers; better suited for the commercial sector</li> <li>Contracting with hospitals is different in Medi-Cal compared to the commercial space where hospitals are willing to lower revenue for more volume; the same is not true in Medi-Cal</li> <li>The focus is on cost rather than quality</li> </ul> |
| <b>Proposed Quality/Resource Use/Total Cost of Care Measurement Principles</b> | <ul style="list-style-type: none"> <li>Align core measure set with DHCS External Accountability (EAS) Set</li> <li>Expand measurement on resource use and total cost of care</li> <li>Consider standardizing patient experience measurement</li> <li>Address social determinants of health</li> <li>Develop regional HEDIS benchmarks in Medi-Cal</li> </ul>   | <ul style="list-style-type: none"> <li>Align core measure set with Straw Proposal 7 measure set (DHCS → Plan incentives to flow down to the Plan → Provider level)</li> <li>Each measure included in core measure set would include specifications and benchmarks based on existing data</li> <li>Develop a menu of additional measures for plans interested in supplementing the core measure set at the local level</li> <li>Opportunity for core measure set that is consistent across payers (Commercial, Medicare, Covered California)</li> </ul>   | <ul style="list-style-type: none"> <li>Align core measure set with DHCS requirements of the plans</li> <li>Requires further development of TCC and resource use measures</li> </ul>   |
| <b>Discussion Questions</b>  | <ul style="list-style-type: none"> <li>From a health plan perspective, what are the key strengths and concerns regarding this approach? Would it work better for some plans than others?</li> <li>What are the tradeoffs among basing the shared savings on total cost of care vs. resource use?</li> <li>What investments would DHCS and the MMC plans need to make to support this direction?</li> <li>Does the new rate setting strategy provide enough incentive for plans?</li> <li>How feasible is it to develop TCC and risk-adjusted resource use measures?</li> </ul> | <ul style="list-style-type: none"> <li>Should standardization be restricted to a core measure set, or apply to incentive design as well?</li> <li>Will a core measure set with a menu of additional measures provide sufficient flexibility to plans with diverse patient and provider populations?</li> <li>Would a smaller subset of measures from the DHCS EAS make implementation more focused and actionable? What measures should be included?</li> <li>What key factors need to be resolved related to incentive design?</li> <li>What tools or resources would plans need to support implementation and maintenance?</li> <li>How would DHCS monitor programs?</li> </ul>  | <ul style="list-style-type: none"> <li>From a provider perspective, what are the key strengths and concerns regarding this approach? Would it work better for some providers than others?</li> <li>Are Medi-Cal providers caring for a sufficient number of patients to ensure that shared savings approaches are workable/actuarially sound?</li> </ul>  |