



Equity and Practice Transformation Payments Program

Guidance for Medi-Cal Managed Care Plans and Provider Groups

June 2023

Table of Contents

Table of Contents.....	2
Background	3
Initial Planning Incentive Payments Program Overview.....	6
Eligibility for Provider Participants	7
General Application Instructions	8
MCP Reporting Requirements.....	8
Appendix – MCP-level milestones to be reported for Initial Planning Incentive Payments.....	9

Background

During the COVID-19 Public Health Emergency (PHE) DHCS has seen a significant reduction of preventive and routine chronic condition care, which disproportionately affected low-income communities of color. Furthermore, 55 percent of school-aged children are enrolled in Medi-Cal, 50 percent of the state's births are in Medi-Cal, and 68 percent of the Medi-Cal population is Black, Latino or people of color. As COVID-19 laid bare, the communities most affected by COVID-19 were often in most dire need of investments, health care access, and infrastructure. The Department is implementing a one-time \$700 million (\$350 million General Fund) initiative to advance equity, reduce COVID-19-driven care disparities, invest in up-stream care models and partnerships to address health and wellness and fund practice transformation aligned with value-based payment models to allow Medi-Cal providers to better serve the state's diverse Medi-Cal enrollee population.

To align with the goals of the DHCS Comprehensive Quality Strategy and Equity Roadmap, these funds will pay for delivery system transformation payments to primary care pediatric, family medicine, internal medicine, OB/GYN, and behavioral health providers focused on advancing DHCS' equity goals in the **"50 by 2025: Bold Goals" Initiative** and to prepare them to participate in alternative payment models.

**BOLD GOALS:
50x2025**

STATE LEVEL

-  Close racial/ethnic disparities in well-child visits and immunizations by 50%
-  Close maternity care disparity for Black and Native American persons by 50%
-  Improve maternal and adolescent depression screening by 50%
-  Improve follow up for mental health and substance use disorder by 50%

-  Ensure all health plans exceed the 50th percentile for all children's preventive care measures

These funds will include funding for a state-wide learning collaborative to support implementation and share best practices, as well as Initial Planning Incentive Payments and practice transformation payments.

Statewide Learning

Collaborative (\$25 million over 5 years) will support participating providers in implementation of practice transformation activities, sharing and spread of best practices, practice coaching activities, and achievement of stated quality and equity goals. Different tracks will be created for different pathways. Participation in the learning collaborative is a requirement for all participants.

Initial Planning Incentive

Payments (\$25 million over 1 year) will allow MCPs to identify and work with small- to medium-sized independent practices using a standardized assessment tool

(<https://phminitiative.com/phmcat/>) to support those practices as they develop Equity and Practice Transformation Provider Directed Payment Program plans and applications. MCPs will earn incentive payments by supporting primary care practices in various preparation activities, including but not limited to: funding for staff time to prepare the program application and hiring a consultant to assist the practice in conducting a needs assessment, which may include assisting with research, tools, strategies, and other activities related to completing the program application. Initial Planning Incentive Payments will be paid to MCPs based on achievement of milestones and activities outlined in the appendix; details on these milestones will be released by DHCS in Q3 2023.

Equity and Practice Transformation Provider Directed Payment Program (\$650 million over 5 years) will support delivery system transformation, specifically targeting primary care practices that provide pediatric, family medicine, internal medicine, or OB/GYN services to Medi-Cal members. Recognizing the wide variation in primary care infrastructure, capacity, and ability to pursue a value-based payment, DHCS envisions a multi-year primary care transformation process that begins with foundational infrastructure investments and over the course of the program, scales evidence-based models of team-based care and prepares practices to assume risk-bearing contracts or join existing state alternative payment model demonstrations. Specific proposed program pathways are below. All participants must complete a standardized assessment tool (<https://phminitiative.com/phmcat/>) and meet foundational pathway requirements prior to proceeding onto other pathways.

The following Pathways represent the types of activities and transformation that will be supported by the Equity and Practice Transformation Provider Directed Payment Program. Final milestones and activities are subject to change and will be released along with the program application in Q3 2023.

Foundational Pathway: Infrastructure Building Through Investments in People, Process, and Technology

- Technology Infrastructure to support population health and high-quality care
 - Electronic health record use for population health management
 - Participation in qualified local Health Information Exchanges; adoption of ADT feeds to improve care coordination and patient safety
 - Population health management tools (such as gaps in care and registries) to support effective inreach, outreach and care management
 - Tools to incorporate social drivers of health screening, assessments, and data into clinical workflows, including referrals

- Improve foundational primary care processes and team-based care¹
- Implement standard processes for empanelment (and associated scheduling) and team-based care processes to support continuity
- Care team re-design, especially leveraging new DHCS benefits (e.g. community health workers)
- Implement team-based care for in reach, outreach, and chronic disease management activities (e.g., non-licensed staff who utilize standing orders to manage cancer screenings; nurse or pharmacist-led medication refill or chronic disease management programs)
- Improve patient engagement with effective outreach strategies for assigned but not seen populations and incorporation of patient experience into quality improvement work
- Implement standard processes for screening of social determinants of health and referral/community linkage to available resources

Scaling Of Evidence-Based Models Pathway: Advanced Primary Care and Other Models Focused On the “50 by 2025: Bold Goals” Initiative Focus Areas

- Implementing group prenatal care (e.g. centering pregnancy or Black Centering)
- Leveraging doulas as a new Medi-Cal benefit
- Implementing evidence-based models of dyadic care (e.g. Healthy Steps, Project Dulce) to support family behavioral health and social needs
- Implementing standard screening and referral workflows for social services (e.g. the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), supplemental nutrition assistance program CalFresh enrollment, etc.) or home visiting programs
- Implementing group visits for chronic disease management, focused on the chronic disease focus areas outlined in DHCS’ Population Health Management Strategy and Roadmap
- Implementing best practices for tracking and completing children’s preventive care
- Implementing an integrated behavioral health model (e.g. Advancing Integrated Mental Health Solutions (AIMS))

¹ <https://www.annfammed.org/content/12/2/166>

- Implementing primary care-based Medication Assisted Treatment for substance use disorders

Value-Based Payment Pathway: Readiness Activities To Enter Into VBP Arrangements (e.g. FQHC APM, VBP Contracts With MCP, Other Demonstrations)

- There will be a dedicated amount of at least \$200 million for practices participating in the Value-Based Payment Pathway
- Phase 1 of this Pathway would be to meet all Foundational Pathway requirements
- Phase 2 requirements would include:
 - Completion of an alternative payment model readiness assessment to ensure financial readiness, appropriate access and care model specifically focused on population health, AND
 - Participation in the DHCS FQHC Alternative Payment Model; OR
 - Assuming a capitated, risk-bearing contract for primary care with the MCP, consistent with HCP-LAN level 3 or 4, OR
 - Pay for performance incentives based off certain targeted quality measures aligned with DHCS' **"50 by 2025: Bold Goals" Initiative**

Initial Planning Incentive Payments Program Overview

This document will provide guidance on basic requirements and recommendations for managed care Network Provider groups and practices that may be interested in participating in this program, as well as MCPs that will be administering these Initial Planning Incentive Payments and partnering with the applicants on their future equity and practice transformation activities. As noted above, MCPs will earn the Initial Planning Incentive Payments for assisting small- to medium-sized independent practices to embark on the necessary initial preparatory work that will result in a formal application for the Equity and Practice Transformation Provider Directed Payment Program. MCPs can support each practice by providing funds for new or existing staff time to prepare the application and/or the hiring of a consultant to help the practice conduct a needs assessment and assist with research, tools, strategies, and recommendations to include in the development of their action plan/proposal and with completing the Equity and Practice Transformation Provider Directed Payment Program application. The following sections will outline recommended provider practice participant criteria, recommended application evaluation criteria to be used by the MCP, as well as infrastructure and process milestones that will be used by the Department to determine the payment amount.

Eligibility for Provider Participants

- **Required** – Initial Planning Incentive Payments partnerships are to be limited to:
 - Participants that are managed care Network Providers²
 - Participants that are Primary Care (Primary Care Pediatrics, Family Medicine or Internal Medicine), Primary Care OB/GYN, or Behavioral Health providers providing integrated behavioral health services in a primary care setting
 - Small independent practices (25 or fewer providers), or medium independent (26-50 providers) practices that are not affiliated with a health care system or Federally Qualified Health Center (FQHC).
- **Recommended** – Initial Planning Incentive Payments partnerships are intended to support practices that have historically been under-resourced and may not have previously had enough resources to apply for practice transformation initiatives in partnership with their MCPs and/or contracted consultants. MCPs are encouraged to prioritize their support to participants that are eligible practices that:
 - Serve at least 1,000 Medi-Cal members (500 members if the practice is a Rural Health Center or other rural practice)
 - Serve disproportionate numbers of Black/African American, Alaska Native/Native American, or LGBTQ+ populations compared to county demographics
 - Indian Health Services
 - Rural Health Centers and other rural practices
 - Provider groups whose current performance on key measures is <50th percentile, especially those <25th percentile
 - Provider groups located in areas designated as Healthy Places Index quartile 1
 - Practices not otherwise receiving funding for the same activities in the Cal-AIM Incentive Payment Program (IPP) or the PATH TA Marketplace program or the Data Exchange Framework (DxF) Grant Program

Initial Planning Incentive Payments

For the Initial Planning Incentive Payments, provider groups should approach their contracted MCPs to learn more about how to participate in this program and prepare for Equity Practice Transformation Payment applications in 2023. The primary MCP will be responsible for meeting applicable milestones to earn the incentive payments, including oversight and coordination with providers for purposes of this program.

² For more information on Network Providers, including the definitions and applicable requirements, see the MCP's Contract, APL 19-001, and any subsequent revisions to the APL. APLs are searchable at: <http://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>.

Equity and Practice Transformation Provider Directed Payment Program

An application for the Equity and Practice Transformation Provider Directed Payment Program will be issued by DHCS in Q3 2023. Upon approval, MCPs will share a list of approved participating Network Providers with contact information and selected practice characteristics to the Department, on the “Selected Network Providers” template which will be provided later.

General Application Instructions

Initial Planning Incentive Payments: Eligible small- to medium-sized independent practices should reach out to their MCPs directly.

Equity and Practice Transformation Provider Directed Payment Program:

Application instructions will be shared in Q3 2023.

MCP Reporting Requirements

MCP-level milestones for the Initial Planning Incentive Payments can be found in the Appendix. To be eligible for payments, MCPs are required to report the milestones to DHCS after completion of the Equity and Practice Transformation Provider Directed Payment Program application review process, selection of participants and submission of all necessary milestone reporting, no later than December 29, 2023. DHCS will provide MCPs with the reporting template on which they will submit their data and instructions for submission once provider participants have been approved and communicated to DHCS.

Milestones will be paid to MCPs upon DHCS approval of the submitted MCP reporting template. Milestone values reported to DHCS must be true and accurate to the best of the MCP’s knowledge and must be a non-zero numerical value.

Achievement of milestones will be tied to 100% of the total allocation for the MCP upon formal review and approval by DHCS.

Appendix – MCP-level milestones to be reported for Initial Planning Incentive Payments

<p>Complete the standardized provider readiness assessment tool</p>	<ul style="list-style-type: none"> • Number of small- to medium-sized independent practices that completed the provider readiness tool (https://phminitiative.com/phmcat/) and shared results with the MCP (MCPs to provide data from small- to medium-sized independent practices' surveys in format specified by DHCS)
<p>Submit an Equity and Practice Transformation Provider Directed Payment program formal application</p>	<ul style="list-style-type: none"> • Number of small- to medium-sized independent practices that submitted an Equity and Practice Transformation Provider Directed Payment Program application • Enhanced funding for percentage of EPT applications from small- to medium-sized independent practices located in Healthy Places Index Quartile 1