



MA Shifting Landscape and Implications for MA Risk Arrangements



September 21, 2023, 1:30 pm

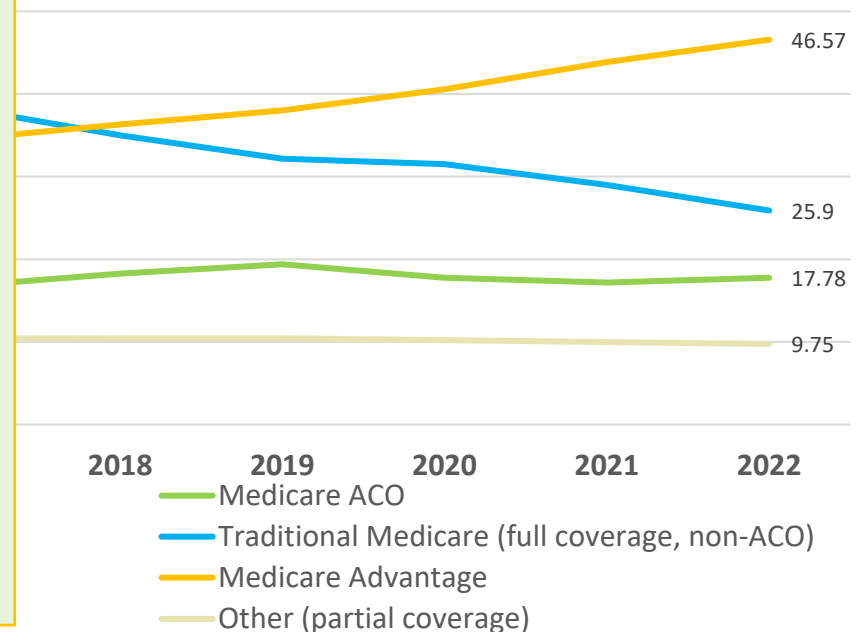
Adapting to the Shifting Healthcare Landscape



Key Issues

- ★ Administrative Benchmarks
 - ★ ACO and MA parity, particularly for risk adjustment
- ★ Promoting other payer arrangements
 - ★ Other payer APM adoption lags Medicare
 - ★ 35% (Medicaid)- 58% (MA) for all APMs
 - ★ 14% (Medicaid)- 30% (MA) for 2-sided risk APMs
 - ★ Encourage CMS to adopt incentives for Medicaid and MA
 - ★ [Share best practices](#) and approaches for advancing value with other payers

Share as a Percentage of Total Enrollment, 2014-2022

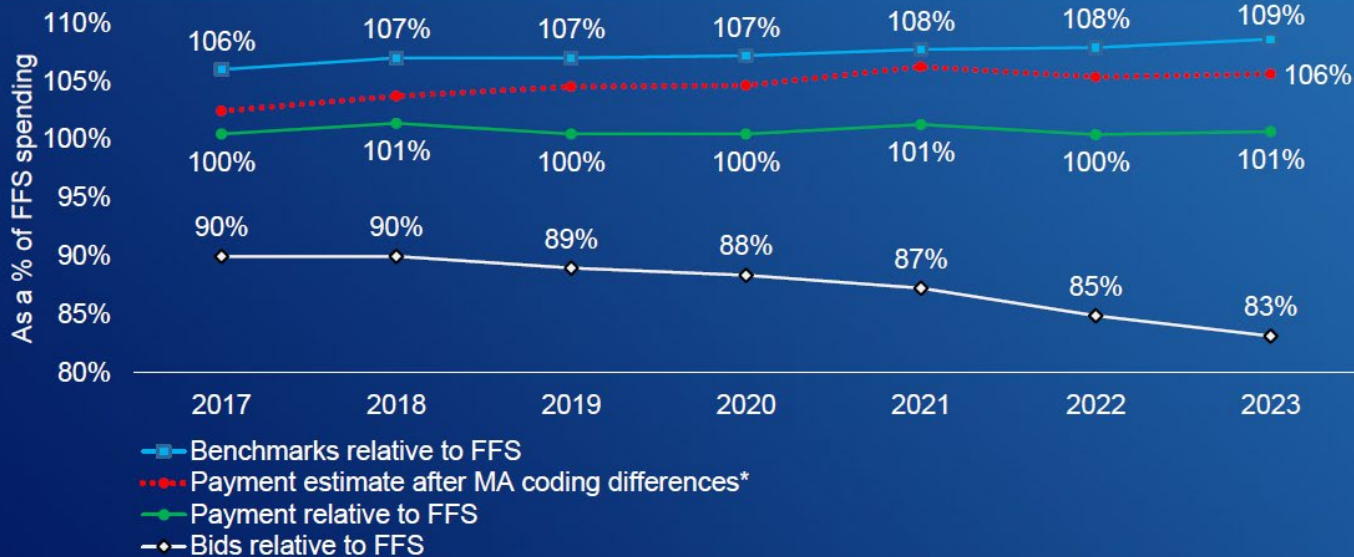


MA Continues to Grow with Market Concentration Holding Steady.....



- 49% of Medicare beneficiaries enrolled in MA in 2022
- MA plan choice increasing with an average of 41 plans available to each bene
- MA market remains heavily concentrated
 - Top 3 MA plans (United, Humana, CVS) retain 56% of total MA enrollment nationally
 - At the county level, largest organization accounted for 43%, on average, of MA enrollment

MA Bids are Low But Payments over FFS



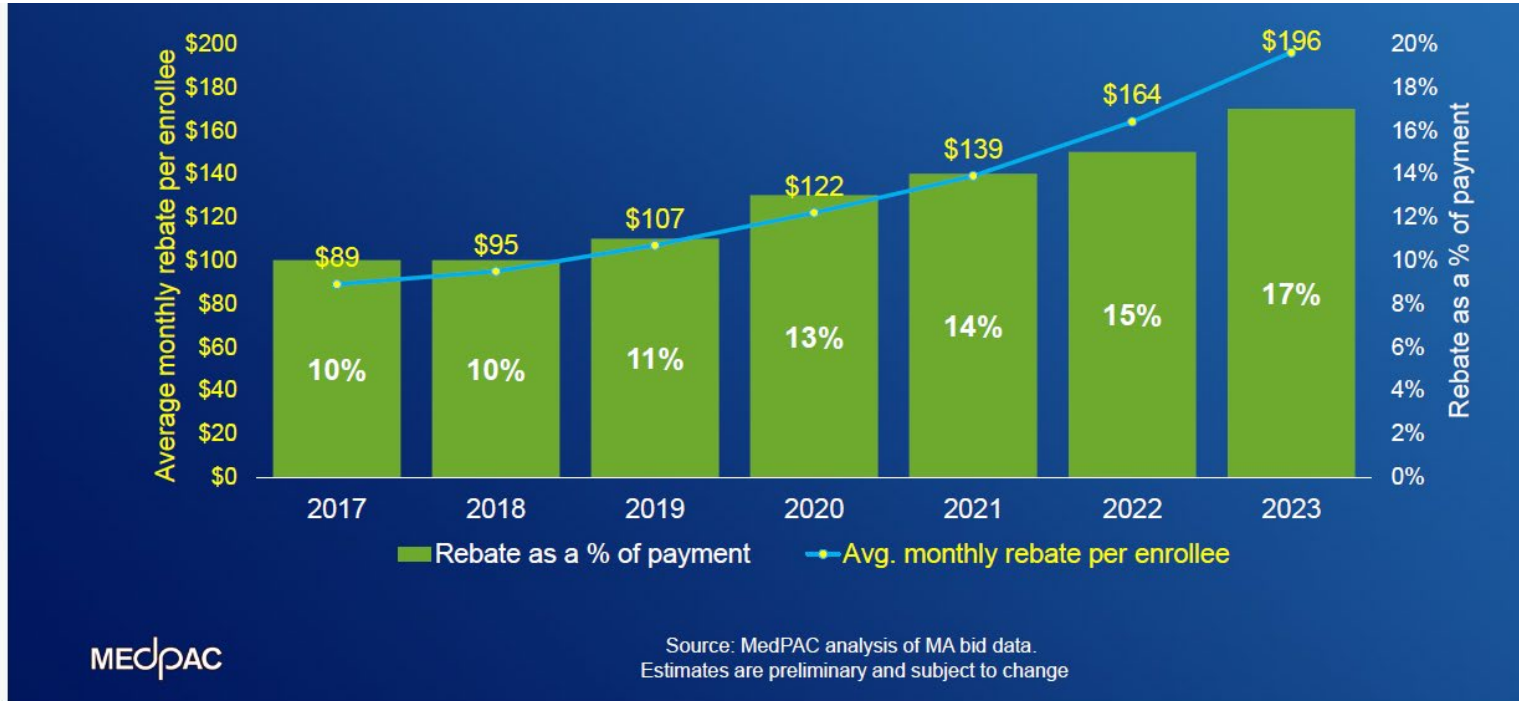
*Coding differences in 2022 and 2023 reflect 2021 levels (the most recent available data). Includes estimate of MA employer plan payments.

Note: MA (Medicare Advantage), FFS (fee-for-service). Benchmark and payment percentages include quality bonuses. Benchmark, payment, and bid percentages reflect our estimates at the time they were published in our March chapter and are not adjusted for coding differences (unless indicated) or underlying differences in risk-adjusted spending between the MA and FFS populations that are not captured by risk scores. Estimates preliminary and subject to change.

Source: Analysis of MA bid and rate data.



Average Monthly Rebates Continue to Rise



MEDPAC

MedPAC: Sources of MA Overpayment



- Coding generates excess payments (\$17B in 2021)
- Quality bonus accounts for \$15B in Overpayment

MedPac Recommendations



- Adjust MA coding intensity– use two years data, exclude diagnoses from HRAs
- Improve encounter data accuracy and completeness
- Replate the quality bonus program– small set of population-based measures, evaluate quality at local market level, peer-grouping methodology to account for social risk and other factors
- Establish more equitable benchmarks- blend national and regional spending, incorporate 2% discount

Recent CMS Program Updates



- Effective growth rate of 2.28%
- Expected average change in revenue 3.32%
- Three-year phase in of the v28 HCC risk adjustment model
- CY 2024 VBID Model Design
 - Wellness and Healthcare Planning
 - VBD flexibilities targeted by condition and/or SES (supplemental benefits, high-value providers/participation in care management, reductions in cost sharing)
 - Part C and D Rewards and Incentives Programs
 - Hospice Benefit program
 - 2023: 52 MAOs, 9.3M enrollees

Phase I: Data Sharing

Product: Playbook of best and promising practices for overcoming key challenges associated with data sharing for VBC arrangements that persist today, taken directly from the expertise of those participating.



The Future of Sustainable
Value-Based Payment:
Voluntary Best Practices to
Advance Data Sharing

2023



Purpose, Audience, and Approach

Goal: AHIP, AMA, and NAACOS seek to advance the voluntary adoption of Value-based Care (VBC) in a manner that eases participation by creating an appropriate foundation for alignment.

Audience: Those offering or currently active in VBC arrangements as well as those seeking to participate in the future.

Strategic Approach: Advisory workgroup comprised of members from each partner association, a managing committee of association leaders, an environmental scan, and interviews with subject matter experts.

** Workgroup members and subject matter experts were selected through an intentional process to ensure diverse representation based on size, location, model, experience and other factors.*



Common Themes Across Best Practices

- Data Privacy
- Lack of Data Standardization
- Varying Data Infrastructure
- Potential VBC Participant Readiness
- Federal Health Information Technology Requirements
- Financial Investment

Voluntary Best Practices for Data Sharing

- 1. Create an Interoperable Data Ecosystem:** Adopt consistent content and exchange standards to simplify and expand data sharing.
- 2. Share More Complete Data:** Empower value-based care participants with complete, accurate, and consistent data.
- 3. Improve Data Collection and Use to Advance Health Equity:** Collect and share data to identify and address health disparities as well as barriers to care beyond the clinical setting, while ensuring transparency, appropriate use, and confidentiality.
- 4. Share Timely and Actionable Data:** Prioritize sharing insights and data early, often, and in accessible ways, to improve care.
- 5. Share Data Methodologies, Calculations, and Context:** Share detailed information to foster trust among value-based care participants in the data they receive, use, and by which performance is measured.



In addition to identifying actionable best practices, the Playbook provides a comprehensive deep-dive on...

- Industry challenges and considerations
- Government-led and/or public-private interoperability/ standardization efforts
- Practice/payer spotlights of data sharing in action

Ochsner Health is utilizing new EMR functionality to create new data connections to many of its local payors. Clinical document exchange has eliminated the “chart chase” for HEDIS reporting, resulting in higher quality scores. Electronic prior authorization has increased process efficiency and increased the number of authorization requests that are approved in real time. Additional areas of development include exchange of care management notes and social determinant benefit information.



Coming Soon...

Phase 2: Payment Methodologies

Future Phases:
Embedded Specialty Models
Quality
Patient Engagement
Care Delivery

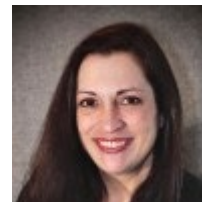


Panelists

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Maria Alexander
Vice President, Population
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