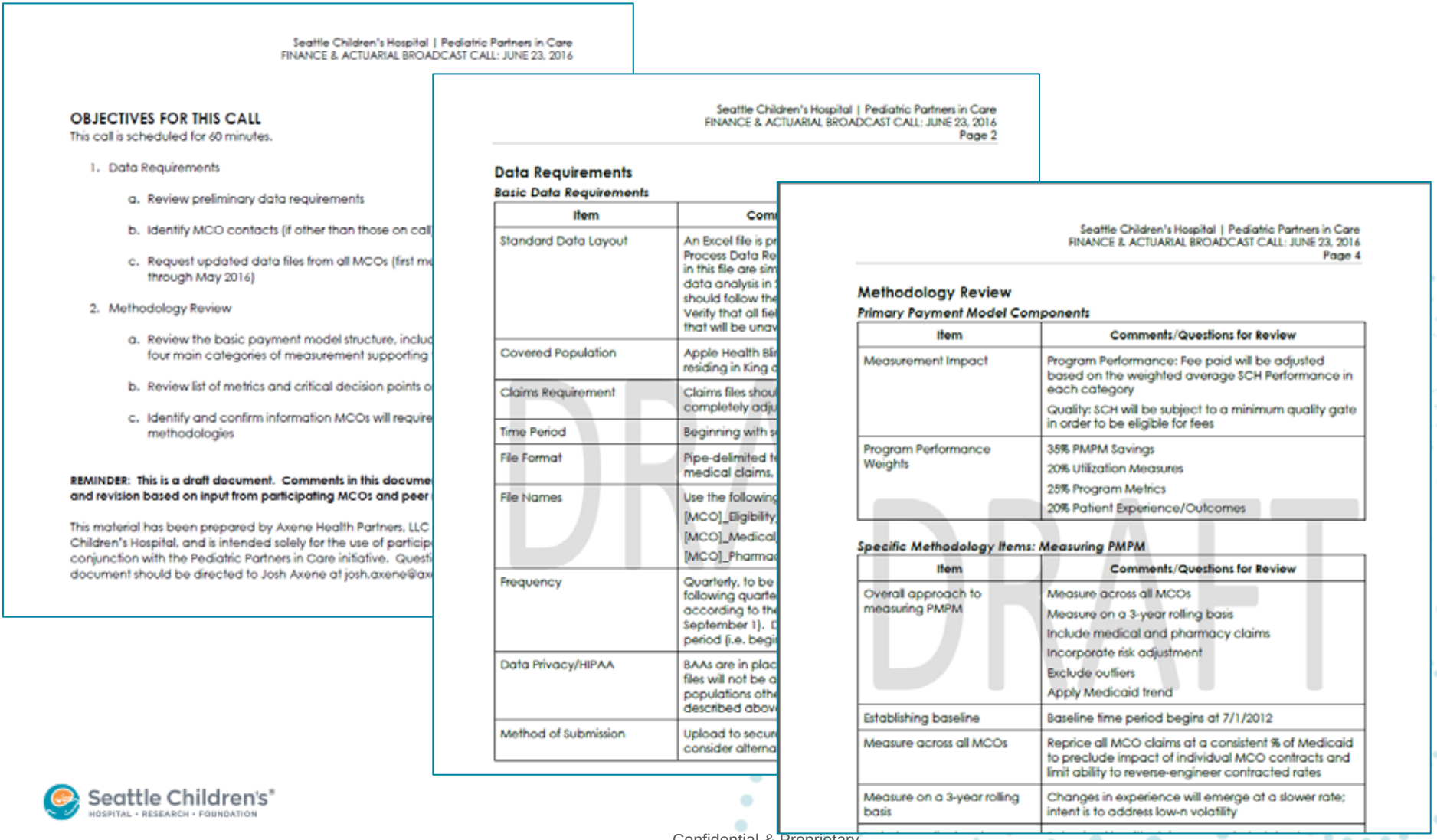
Detailed technical papers were developed to support discussions



Seattle Children's Hospital | Pediatric Partners in Care
FINANCE & ACTUARIAL BROADCAST CALL: JUNE 23, 2016

OBJECTIVES FOR THIS CALL

This call is scheduled for 60 minutes.

1. Data Requirements
   a. Review preliminary data requirements
   b. Identify MCO contacts (if other than those on call
   c. Request updated data files from all MCOs (first me through May 2016)
2. Methodology Review
   a. Review the basic payment model structure, includ four main categories of measurement supporting
   b. Review list of metrics and critical decision points o
   c. Identify and confirm information MCOs will require methodologies

REMINDER: This is a draft document. Comments in this docume and revision based on input from participating MCOs and peer

This material has been prepared by Axene Health Partners, LLC Children's Hospital, and is intended solely for the use of particip conjunction with the Pediatric Partners in Care initiative. Questi document should be directed to Josh Axene at josh.axene@ax

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Data Requirements

Basic Data Requirements

Item	Com
Standard Data Layout	An Excel file is pr Process Data Re in this file are sim data analysis in should follow the Verify that all fie that will be unav
Covered Population	Apple Health Bli residing in King c
Claims Requirement	Claims files shou completely adju
Time Period	Beginning with s
File Format	Pipe-delimited t medical claims.
File Names	Use the following [MCO]_Eligibility [MCO]_Medical [MCO]_Pharma
Frequency	Quarterly, to be following quarte according to the September 1). D period (i.e. begi
Data Privacy/HIPAA	BAAs are in plac files will not be a populations othe described above
Method of Submission	Upload to secur consider alterna

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Methodology Review

Primary Payment Model Components

Item	Comments/Questions for Review
Measurement Impact	Program Performance: Fee paid will be adjusted based on the weighted average SCH Performance in each category Quality: SCH will be subject to a minimum quality gate in order to be eligible for fees
Program Performance Weights	35% PMPM Savings 20% Utilization Measures 25% Program Metrics 20% Patient Experience/Outcomes

Specific Methodology Items: Measuring PMPM

Item	Comments/Questions for Review
Overall approach to measuring PMPM	Measure across all MCOs Measure on a 3-year rolling basis Include medical and pharmacy claims Incorporate risk adjustment Exclude outliers Apply Medicaid trend
Establishing baseline	Baseline time period begins at 7/1/2012
Measure across all MCOs	Reprice all MCO claims at a consistent % of Medicaid to preclude impact of individual MCO contracts and limit ability to reverse-engineer contracted rates
Measure on a 3-year rolling basis	Changes in experience will emerge at a slower rate; intent is to address low-n volatility

New data analytics were then completed and shared with MCO teams

Figure 2 Cost Variability By Month (PMPM)

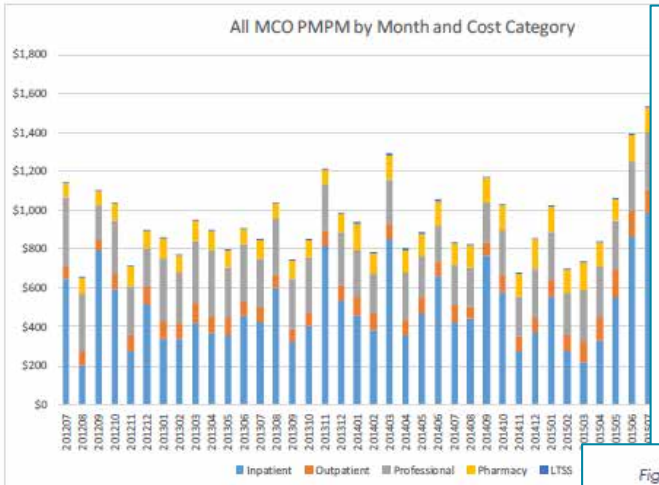


Figure 13 Illustration of Days' Brackets Contribution to PMPM and IP Days

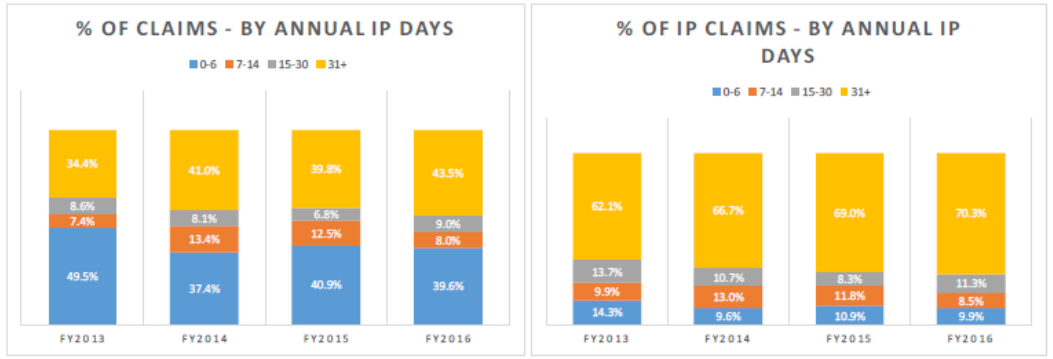


Figure 14 Distribution of Members and Claims by IP Days Bracket and Claims Bracket

Figure 3 Medical Claims Variability

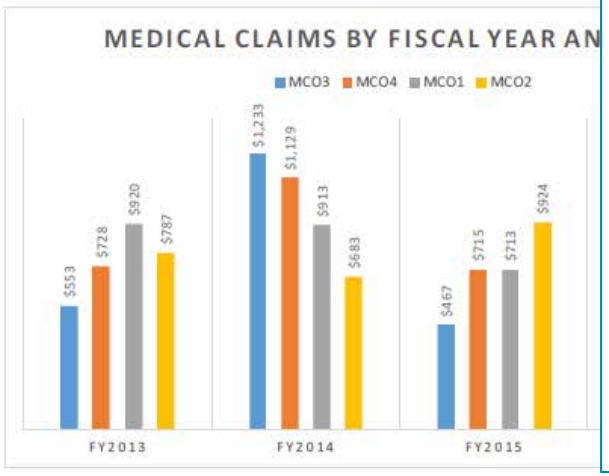
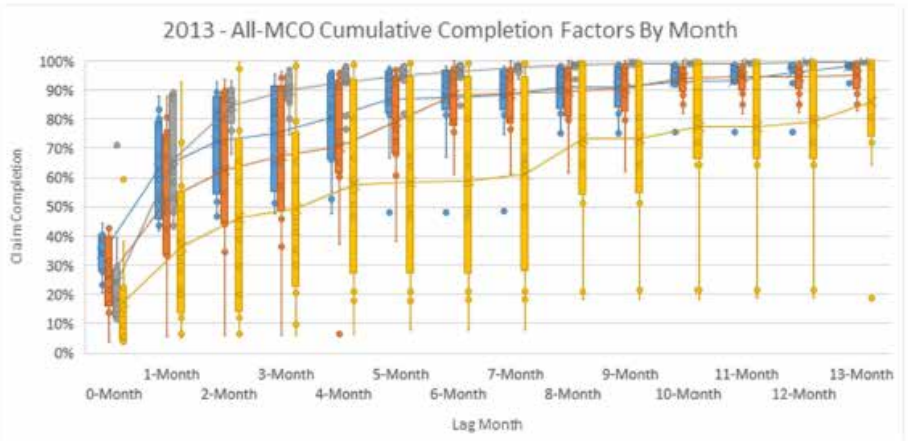
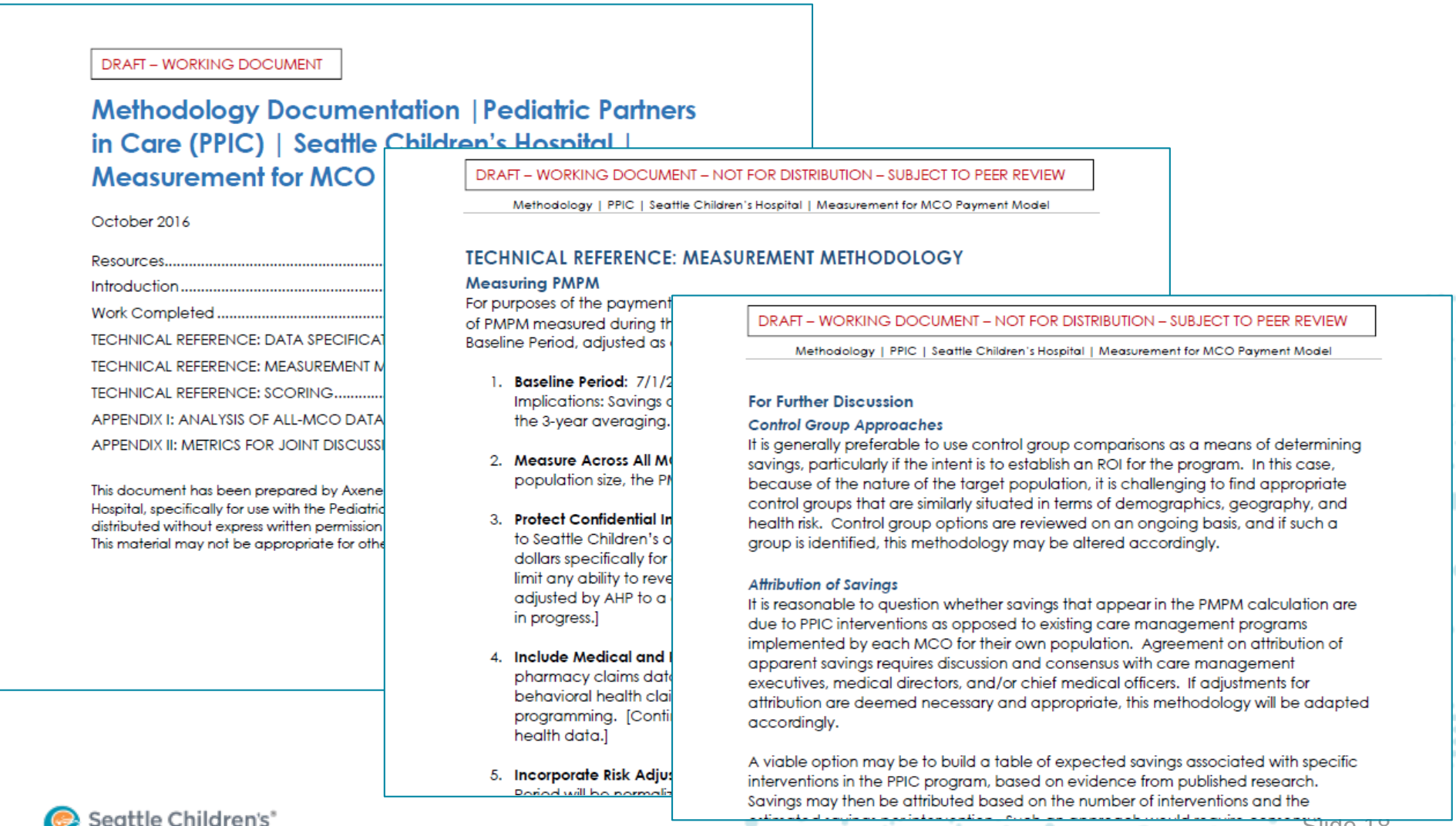


Figure 24 Comparison of Completion Factor Findings by MCO by Month – Medical + Pharmacy



Working document was drafted and will be finalized based on MCO consensus



DRAFT – WORKING DOCUMENT

Methodology Documentation | Pediatric Partners in Care (PPIC) | Seattle Children's Hospital | Measurement for MCO

October 2016

Resources.....
Introduction.....
Work Completed.....
TECHNICAL REFERENCE: DATA SPECIFICAT
TECHNICAL REFERENCE: MEASUREMENT M
TECHNICAL REFERENCE: SCORING.....
APPENDIX I: ANALYSIS OF ALL-MCO DATA
APPENDIX II: METRICS FOR JOINT DISCUSSI

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Methodology | PPIC | Seattle Children's Hospital | Measurement for MCO Payment Model

TECHNICAL REFERENCE: MEASUREMENT METHODOLOGY

Measuring PMPM

For purposes of the payment
of PMPM measured during th
Baseline Period, adjusted as

1. **Baseline Period:** 7/1/2
   Implications: Savings
   the 3-year averaging.
2. **Measure Across All M**
   population size, the PM
3. **Protect Confidential In**
   to Seattle Children's o
   dollars specifically for
   limit any ability to reve
   adjusted by AHP to a
   in progress.]
4. **Include Medical and**
   pharmacy claims dat
   behavioral health cla
   programming. [Conti
   health data.]
5. **Incorporate Risk Adju**
   Period will be normali

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Methodology | PPIC | Seattle Children's Hospital | Measurement for MCO Payment Model

For Further Discussion

Control Group Approaches

It is generally preferable to use control group comparisons as a means of determining savings, particularly if the intent is to establish an ROI for the program. In this case, because of the nature of the target population, it is challenging to find appropriate control groups that are similarly situated in terms of demographics, geography, and health risk. Control group options are reviewed on an ongoing basis, and if such a group is identified, this methodology may be altered accordingly.

Attribution of Savings

It is reasonable to question whether savings that appear in the PMPM calculation are due to PPIC interventions as opposed to existing care management programs implemented by each MCO for their own population. Agreement on attribution of apparent savings requires discussion and consensus with care management executives, medical directors, and/or chief medical officers. If adjustments for attribution are deemed necessary and appropriate, this methodology will be adapted accordingly.

A viable option may be to build a table of expected savings associated with specific interventions in the PPIC program, based on evidence from published research. Savings may then be attributed based on the number of interventions and the

Addressing Challenges with MCO Collaboration

- Obtaining “clean” data on a timely basis – extraordinary number of hours spent identifying and addressing problems with the data, with differing levels of expertise and analyst turnover
- Lack of internal MCO communication – actuarial/finance contacts not necessarily up to speed on their colleagues’ work, and this is one of many things they’re working on
- Different communication skills among MCO contacts
- MCO contacts needed to understand commitment level
- Agreeing to methodology ≠ contractual obligation (that comes later)

We have seen multiple benefits of MCO collaboration

- Long-term model sustainability: input from MCOs helps to ensure acceptance beyond the grant period
- Technical expertise: peer review and recommendations for highly specialized calculations and methodologies
- Payment issues: MCO finance and actuarial leads have excellent grasp of technical issues related to payment for services
- Cooperation: Recognition of mutual commitment to the development process and the overriding goals of the PPIC program
- Setting the stage for participation in WA state “Health Homes” project

Several factors have been key to successful collaboration on the payment model

- **Early buy-in** from MCOs at highest executive levels (pre-grant support)
- **Obtaining consensus in two phases** – Phase 1 for the general structure, Phase 2 for the technical aspects supporting that structure
- **Sharing of data analytics as early as possible** to demonstrate value for MCOs and enhance their interest in the PPIC target population
- **Continued and repeated communication**, including recapping progress to date on every call – and not being reluctant to cancel calls if not enough progress has been made (i.e., we respect their time)
- **Dedicated data contact** on actuarial team
- **Regular communication** with PPIC leadership to convey potential emerging issues

Questions and Comments

THANK YOU!

Contact: sandy.melzer@seattlechildrens.org

Implementing Pediatric Alternative Payment Models in an Adult World

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University Hospitals
Cleveland | Ohio

Rainbow Babies
& Children's Hospital

Objectives

1. Understand the role of children within a reformed healthcare delivery system
2. Explore the differences between Pediatric Medicaid and Medicare ACO Models
3. Review one pediatric Medicaid ACO and how it leveraged Medicare initiatives to become sustainable

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