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Department of Health Care Access and Information

OHCA Investment and Payment Workgroup

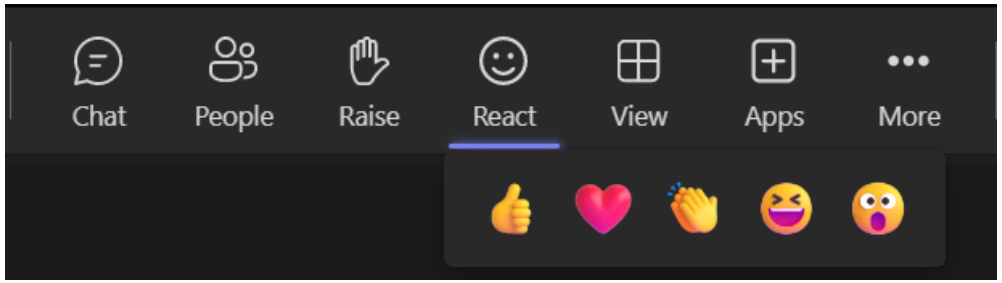
January 17th, 2024

Agenda

9:00 a.m.	**1. Welcome and Updates**
9:05 a.m.	**2. Discuss Revised Recommended Approach to Measuring Claims-Based Primary Care Spend**
9:40 a.m.	**3. Discuss a Recommended Approach to Measuring Non-Claims Primary Care Spend**
10:30 a.m.	**4. Adjournment**

Meeting Format

- Workgroup purpose and scope can be found in the Investment and Payment Workgroup Charter
- Remote participation via Teams Webinar only
- Meeting recurs the third Wednesday of every month
- We will be using reaction emojis, breakout rooms, and chat functions:



Date:
Wednesday, November 15, 2023

Time
9:00 am PST

Microsoft Teams Link
for Public Participation:

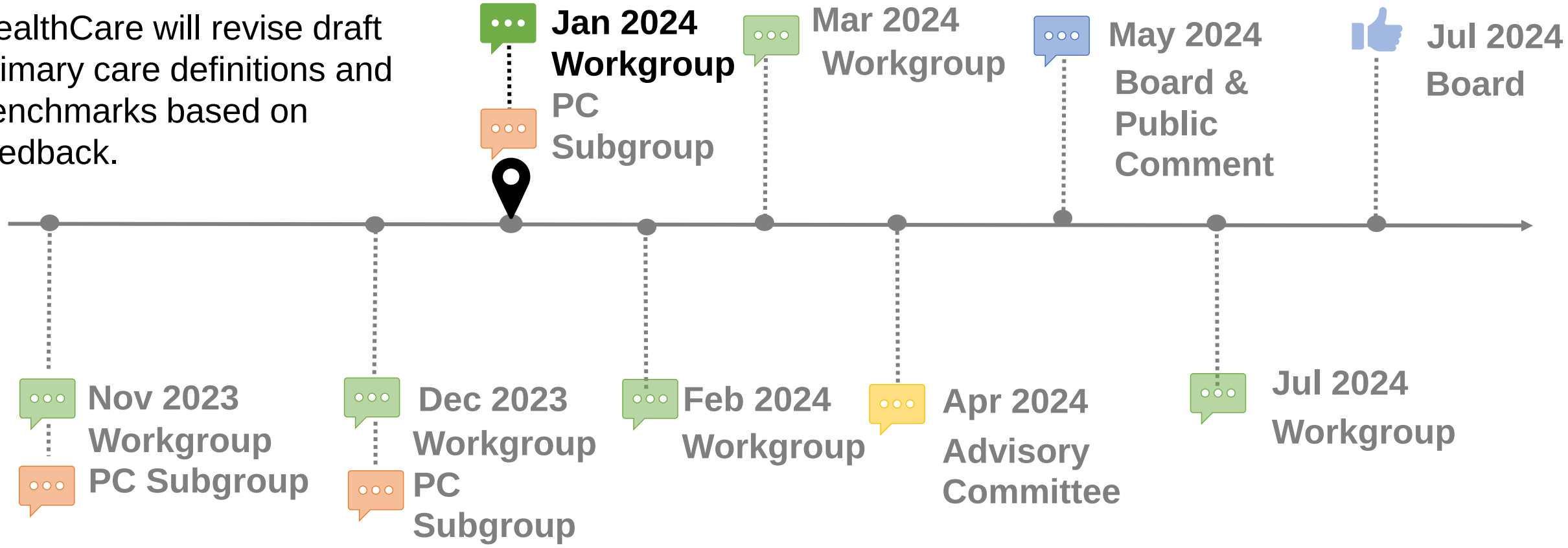
Meeting ID: 231 506 203 671
Passcode: XzTN6r

Or call in (audio only):
+1 916-535-0978

Conference ID:
261 055 415#

Timeline for Primary Care Work

Between each meeting, OHCA and Freedman HealthCare will revise draft primary care definitions and benchmarks based on feedback.



Provide Feedback

Board Approval

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Discuss Revised Recommended Approach to Measuring Claims-Based Primary Care Spend

Margareta Brandt, Assistant Deputy Director

Overview of Key Primary Care Investment Measurement Decisions Recommendations

Include a narrow or broad set of providers?

- Include a broad set of providers to reflect statutory goal of team-based care.

Should the definition be limited to certain places of service?

- Include restrictions on places of service to reflect vision of continuous and coordinated care.

Include a narrow or expanded set of services, or all?

- Include an expanded set of services to encourage as much care as possible and appropriate to be delivered in a primary care setting.

Overview of Key Primary Care Investment Measurement Decisions Recommendations

How to incorporate OB/GYN services and/or providers?

- Include some OB-GYN services to be consistent with similar services for other body systems.
- Exclude OB-GYN providers to be consistent with focus on providers caring for the whole patient.

How to incorporate behavioral health services and/or providers?

- Use a modular approach to include a limited set of behavioral health services that are provided as part of primary care or integrated primary care and behavioral health.

Workgroup and Subgroup Feedback

General feedback and comments:

- Support for future vision approach to measurement
- Refer to “vision” for primary care delivery in California; policy goals in statute
- Support for modular definition; recognition that interest in modularity must be balanced with data submitter burden
- Utilize Healthcare Payments Data program for supplemental analysis

Feedback and comments on recommendations:

- Focus on providers offering whole-person, continuous, coordinated care
- Consider excluding nurse, non-practitioner; clinical nurse specialists; preventive care; hospice and palliative care
- Workgroup had difference of opinion on whether to add pharmacist; Subgroup preferred inclusion of pharmacist as provider but exclusion of pharmacy as site
- Difference of opinion on whether to include/exclude retail clinics
- Some concern regarding inclusion of outpatient hospital clinic sites but general support for inclusion to avoid undercounting
- General support for list of services provided

One Vision for Primary Care Delivery in California

- Accessible
- Relationship-based
- Team-based
- Comprehensive

- Person- and family- centered
- Integrated
- Coordinated
- Equitable

Primary Care Subgroup noted the need for sustainable and well-resourced primary care to achieve the vision.

Advanced Primary Care: Defining a Shared Standard, April 2022. California Quality Collaborative (CQC).

Recommendation: Modular Definition

Approach	Recommendation
Modular Definition: Core service component and additional service categories that can be included or excluded.	• **Primary Care Paid Via Claims** • **Primary Care Paid Via Non-Claims** • **Behavioral Health in Primary Care** – can be added to behavioral health or primary care investment calculations • **Use a single definition for the Primary Care Paid Via Claims** module that emphasizes team-based care and aims to reflect the vision for primary care delivery in California.

All primary care measurement can be supplemented with additional analysis through the Health Care Payments Data program (HPD).

Three Recommended Modules

All three modules would be included in benchmark calculation.

Primary Care Paid Via Claims	Primary Care Paid Via Non-Claims	Behavioral Health in Primary Care
• Revised definition from December Workgroup	• To be discussed later today	• Screening, office visits for BH diagnosis with PCPs • Counseling, therapy when by a PCP or via integrated behavioral health

Could be added to BH or PC spend calculation.

All primary care measurement can be supplemented with additional analysis through the Health Care Payments Data program (HPD).

Revised Recommended Provider Taxonomies

Please note provider restrictions would be paired with place of service and service restrictions.

Include	

✓ Family Medicine (General/Adult/Geriatrics)
✓ Internal Medicine (General/Adult/Geriatrics)
✓ General Practice
✓ Pediatrics
✓ Federally Qualified Health Center
✓ Physician Assistant, Medical
✓ Nurse Practitioner
  ✓ Adult Health
  ✓ Family
  ✓ Pediatrics
  ✓ Primary Care
✓ Primary Care & Rural Health Clinics
	✓ Nurse, non-practitioner
	✓ Certified clinical nurse specialist
	  ✓ Adult Health
	  ✓ Community/Public Health
	  ✓ Pediatrics
	  ✓ Chronic Health
	  ✓ Family Health
	  ✓ Gerontology
	✓ Pharmacist

Rationale:

- Removed specialties not focused on whole person care and did not add OB-GYN.
- Kept “nurse, non-practitioner” based on definition.
- Kept clinical nurse specialist for primary care specialties and added pharmacist to reflect team-based care.

Taxonomy list with recommendations for inclusion and exclusion provided in appendix.
Green text indicates revision from December 2023 Investment and Payment Workgroup recommendation.

Revised Recommended Places of Service

Please note place of service restrictions would be paired with provider and service restrictions.

Include	
✓ Office*	✓ Homeless Shelter
✓ Telehealth	✓ Assisted Living Facility
✓ School	✓ Group Home
✓ Home	✓ Mobile Unit
✓ Federally Qualified Health Center	✓ Street Medicine
✓ Public Health & Rural Health Clinic	
✓ Worksite	
✓ Hospital Outpatient	

Rationale:

- Removed retail clinics to reflect Workgroup discussion and vision for coordinated care.
- Added hospital outpatient sites to reflect Primary Care Subgroup discussions.
- Added street medicine to reflect access goals.
- Removed Indian Health Service, Tribal Health, and Corrections due to data availability.
- Kept all sites that may be someone's home.
- Removed pharmacy to reflect Primary Care Subgroup discussion.

Place of service list with recommendations for inclusion and exclusion provided in appendix.
Green text indicates revision from December 2023 Investment and Payment Workgroup recommendation.

Revised Recommended Services

Please note service restrictions would be paired with place of service and provider restrictions.

Include	
✓ Office visit ✓ Home visit ✓ Preventive visits ✓ Immunization administration ✓ Transitional care & chronic care management ✓ Health risk assessment ✓ Advanced care planning ✓ Minor procedures ✓ Interprofessional consult (e-consult) ✓ Team conference w or w/o patient ✓ Prolonged preventive service ✓ Domiciliary or rest home care/ evaluation	✓ Group visits ✓ Remote patient monitoring ✓ Labs ✓ OB-GYN Services: preventive screenings, immunizations, minor procedures including insertion/removal of contraceptive devices, maternity care.

Rationale:

- No changes other than addition of OB-GYN services.
- Including OB-GYN services that are similar to those included for other body systems.

Service list with recommendations for inclusion and exclusion provided in appendix.
Green text indicates revision from December 2023 Investment and Payment Workgroup recommendation.

Behavioral Health Module

Please note service restrictions would be paired with place of service and provider restrictions.

Providers	Places of Service	Services
✓ Same as list of primary care providers on Slide 12. ✓ For Behavioral Health Module, provider taxonomy can be in rendering or billing provider to reflect integrated behavioral health arrangements.	✓ Same as list of primary care places of service on Slide 13.	✓ Screening for behavioral health diagnosis ✓ Evaluation ✓ Counseling/therapy ✓ Office visits

Rationale:

- Focuses on behavioral health care delivered in primary care.
- Broader behavioral health care service delivery will be measured separately.

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Discuss a Recommended Approach to Measuring Non-Claims Primary Care Spend

Margareta Brandt, Assistant Deputy Director
Mary Jo Condon, Principal Consultant
Robert Seifert, Consultant

Framing the Measurement

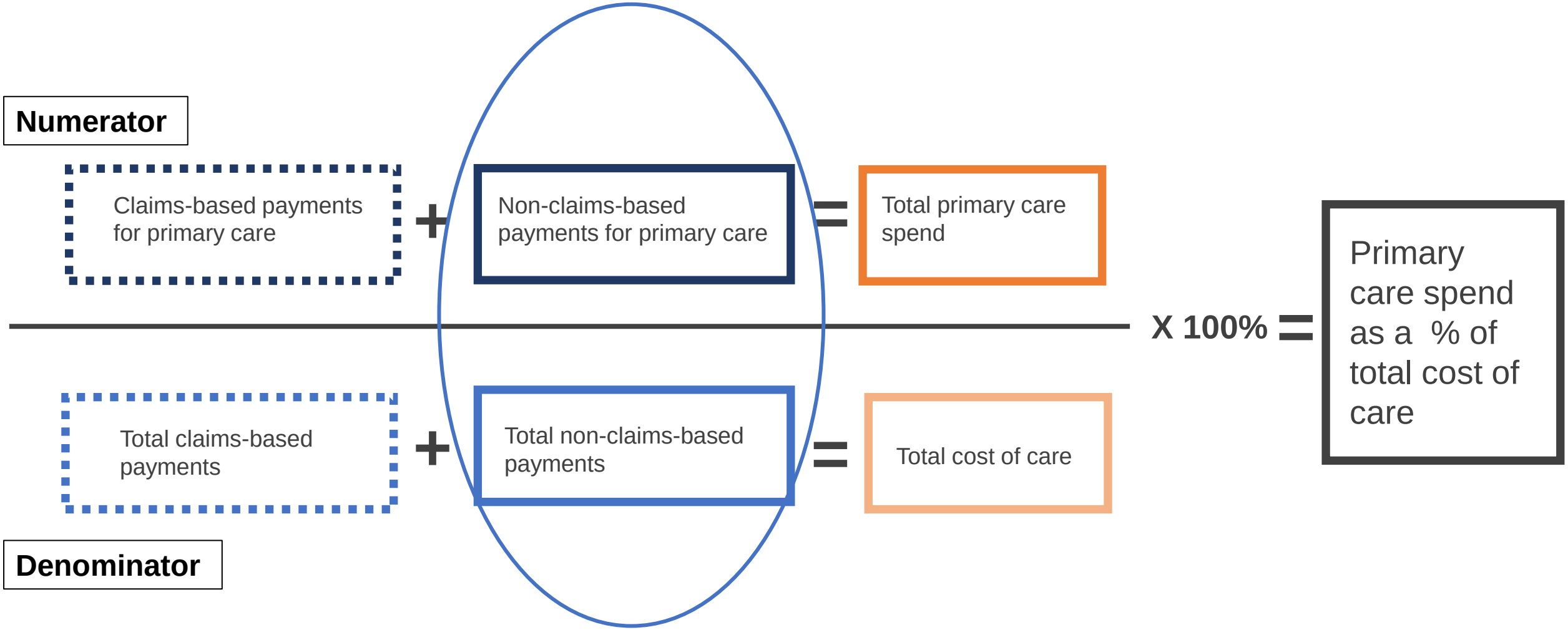
What will be measured

Money payers paid to providers in support of primary care services.

What won't be measured

Money providers spent delivering primary care services.

Recap: Measuring Primary Care Investment



Adapted from Erin Taylor, Michael Bailit, and Deepti Kanneganti. Measuring Non-Claims-Based Primary Care Spending. Milbank Memorial Fund. April 15, 2021

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Recap: OHCA Data Source for Measuring Primary Care Investment

- OHCA will collect the data to measure primary care as part of its larger Total Health Care Expenditures (THCE) data collection efforts.
- Primary care spending data will include claims and non-claims payments, which will be categorized using the Expanded Framework.
- OHCA will provide definitions, technical specifications, and technical assistance to submitters to support accurately allocating payments to primary care, particularly for non-claims payment categories.

Recap: Expanded Framework, Categories 1-3

	Expanded Non-Claims Payments Framework	Corresponding HCP-LAN Category
1	**Population Health and Practice Infrastructure Payments**	
a	Care management/care coordination/population health/medication reconciliation	2A
b	Primary care and behavioral health integration	2A
c	Social care integration	2A
d	Practice transformation payments	2A
e	EHR/HIT infrastructure and other data analytics payments	2A
2	**Performance Payments**	
a	Retrospective/prospective incentive payments: pay-for-reporting	2B
b	Retrospective/prospective incentive payments: pay-for-performance	2C
3	**Payments with Shared Savings and Recoupments**	
a	Procedure-related, episode-based payments with shared savings	3A
b	Procedure-related, episode-based payments with risk of recoupments	3B
c	Condition-related, episode-based payments with shared savings	3A
d	Condition-related, episode-based payments with risk of recoupments	3B
e	Risk for total cost of care (e.g., ACO) with shared savings	3A
f	Risk for total cost of care (e.g., ACO) with risk of recoupments	3B

Freedman HealthCare supported the California Department of Health Care Access and Information in developing the Expanded Non-Claims Payment Framework. The framework builds on the work of Bailit Health and the Milbank Memorial Fund and the Health Care Payment Learning and Action Network.

Recap: Expanded Framework, Categories 4-6

	Expanded Non-Claims Payments Framework	Corresponding HCP-LAN Category
4	**Capitation and Full Risk Payments**	
a	Primary Care capitation	4A
b	Professional capitation	4A
c	Facility capitation	4A
d	Behavioral Health capitation	4A
e	Global capitation	4B
f	Payments to Integrated, Comprehensive Payment and Delivery Systems	4C
5	**Other Non-Claims Payments**	
6	**Pharmacy Rebates**	

Overview of Challenges of Non-Claims Payments

- High percentage of professional and global capitation in California increases need to accurately capture non-claims payments.
- Currently, there is no standard method among states for allocating non-claims payments to primary care.
- The methods proposed today are used in other states and refined to meet the needs of California, but they are blunt instruments and not ideal. There is no ideal.
- Most non-claims payments cannot be tied to a specific (primary care) provider.
- Most non-claims payments cannot be tied to specific services, let alone primary care services.

Overview of Draft Recommendations for Non-Claims Primary Care Measurement

Category 1 & 2 (Population Health, Practice Infrastructure and Performance Payments): All non-claims payments in these categories are allocated to primary care when paid to primary care providers and organizations. For multi-specialty practices and health systems, payers identify their primary care programs and allocate only the payments associated with those programs.

Category 3 (Payments with Shared Savings and Recoupments): Limit the portion of the risk settlement paid to provider organizations that is allowed to be allocated to primary care.

Category 4 (Capitation and Full Risk Payments): For primary care capitation, 100% would be allocated to primary care. For other capitation payments, data submitters would calculate a fee-for-service equivalent based on a fee schedule for primary care services multiplied by the number of encounters.

Non-Claims Primary Care Payments: Draft Recommendations

Expanded Framework Category (Types of Payments)	Draft Recommendation	Question to Consider
Category 1 (Population Health and Practice Infrastructure) *Examples:* • Care management • Care coordination • PC/BH integration • Social care integration • Practice transformation • IT infrastructure	All non-claims payments in this category are allocated to primary care when paid to primary care providers and organizations. For multi-specialty practices and health systems, payers identify their primary care programs and allocate only the payments associated with those programs.	• Is this an appropriate and feasible way to allocate these payments when paid to a provider group that is not solely primary care (e.g., multi-specialty practice or health system)? • Examples of definition language from other states: • "Payments made to primary care providers, [care teams] and organizations."

Non-Claims Primary Care Payments: Draft Recommendations

Expanded Framework Category (Types of Payments)	Draft Recommendation	Question to Consider
Category 2 (Performance Payments) *Examples:* • Pay for reporting bonus payment • Pay for performance bonus payment	All non-claims payments in this category are allocated to primary care when paid to primary care providers and organizations. For multi-specialty practices and health systems, payers identify their primary care programs and allocate only the payments associated with those programs.	• Is this an appropriate and feasible way to allocate these payments when paid to a provider group that is not solely primary care (e.g., multi-specialty practice or health system)? • Examples of definition language from other states: • "Payments made to primary care providers, [care teams] and organizations."

Non-Claims Primary Care Payments: Draft Recommendations

Expanded Framework Category (Types of Payments)	Draft Recommendation	Questions to Consider
Category 3 (Payments with Shared Savings and Recoupments) *Examples:* • Shared savings payments • Recoupments and claw backs	Limit the portion of the risk settlement that can be allocated to primary care. For example, limiting the portion of a risk settlement that can be allocated to primary care as equal to the state's primary care investment benchmark.	These payments reflect the total care experience for a population, of which primary care is only a part. • Should 100% of payments be classified as primary care if the billing provider is a primary care provider organization? • What about a multi-specialty physician group or health system?

Note: Focused on “ACO-like” payment models, where risk is shared for the total cost of care, because procedure and condition bundles are uncommon in primary care.

2024 Delaware Affordability Standards Example

Draft OHCA Recommendation: *Limit the portion of risk settlement that can be allocated to primary care.*

In Delaware, the portion of a risk settlement payment that can be allocated to primary care is equal to the annual primary care investment requirement.

For 2024, carriers may allocate **up to 10%** of their total risk settlement payments to Risk Settlements (Net) to Support Primary Care Service without supplying documentation from providers.

2024 DE Primary Care Investment Requirement
10%

Example of 2024 Delaware % Risk Settlements Allocated to Primary Care: Payer Calculated vs. "Counted"

	Payer 1	Payer 2
Total Risk Settlement Payment	$10,000,000	$20,000,000
"Counted" as Primary care	$1,000,000	$2,000,000

Non-Claims Primary Care Payments: Draft Recommendations

Expanded Framework Category (Types of Payments)	Draft Recommendation	Considerations

Category 4
• Primary care capitation
• Professional capitation
• Facility capitation
• Behavioral health capitation
• Global capitation
• Payments to integrated systems
	• Primary care capitation: 100% allocated to primary care
	• For other subcategories, develop a fee-for-service equivalent based on a fee schedule for primary care services multiplied by the number of encounters
		• Benefits
		  • Relatively simple
		  • Promotes improvements in encounter data
		  • Aligns with preferred Covered California approach
		• Challenges
		  • May undercount due to missing encounters
		  • Difficulty identifying the correct fee schedule
		  • Potential for gaming

Example of Non-Claims Capitation Formula

Payer A has four types of capitation arrangements with provider groups. Three of them cover some primary care services. The table below describes the portion of the payer's capitation payments that would be allocated to primary care.

	Total Dollars Paid Via Capitation Category	Dollars Attributed to Primary Care	Dollars Attributed to Primary Care Equal To
Primary Care Capitation	$100,000,000	$100,000,000	Total amount paid in primary care capitation
Professional Capitation	$250,000,000	$100,000,000	Use formula on the previous slide to calculate FFS equivalents for primary care services.
Global Capitation	$1,000,000,000	$100,000,000	Use formula on the previous slide to calculate FFS equivalents for primary care services.
Facility Capitation	$500,000,000	$0	N/A

Hypothetical Equation for Determining Primary Care Portion of Capitation Payments

All payments for Category 4a (Primary Care Capitation)

+

Σ (# of Encounters x FFS-equivalent Fee)$_{segment}$

Subcategories 4b-4f

where *segment* is a combination of

- Geographic Region
- OHCA FFS Primary Care Definition
- Payer Type

=

Primary Care portion of capitation payments

Comparison of Approaches to Determining Primary Care Non-Claims Spend

	OHCA Proposal	IHA	CO, MA, OR
Uses same primary care definition to define claims and non-claims	✓	✓	✓
Guidance on allocating a portion of capitation to primary care	FFS equivalents based on encounter data	FFS equivalents based on encounter data	None
Approach to allocating portion of capitation to primary care	Data submitters apply their own fee schedules	Standardized fee schedule, scaling	N/A

Differences reflect OHCA and IHA data collection approaches and OHCA's interest in reflecting variation in payer fee schedules.

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Wrap Up & Next Steps

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Adjournment

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Appendix

Primary Care & Behavioral Health Investments

Statutory Requirements

- **Measure and promote a sustained systemwide investment in primary care** and behavioral health.
- **Measure the percentage of total health care expenditures allocated to primary care** and behavioral health and set spending benchmarks. Spending benchmarks for primary care shall consider current and historic underfunding of primary care services.
- Include an analysis of primary care and behavioral health spending and growth, and relevant quality and equity performance measures, in the annual report.
- Consult with state departments, external organizations promoting investment in primary care and behavioral health, and other entities and individuals with expertise in primary care, behavioral health, and health equity.
- Benchmarks and public reporting shall consider differences among payers and fully integrated delivery systems, including plan or network design or line of business, the diversity of settings and facilities through which primary care can be delivered, including clinical and nonclinical settings, the use of both claims-based and non-claims-based payments, and the risk mix associated with the covered lives or patient population for which they are primarily responsible.

Recommended Provider Taxonomies

Please note provider restrictions would be paired with place of service and service restrictions.

All or Nearly All Include (90%+)	Most Include (~75%)	Some Include (~25% to 50%)

✓ Family Medicine
✓ Internal Medicine
✓ General Practice
✓ Pediatrics
✓ Federally Qualified Health Center
✓ Physician Assistant
  ✓ Medical
✓ Nurse Practitioner
  ✓ Adult Health
  ✓ Family
  ✓ Pediatrics
  ✓ Primary Care
✓ Primary Care & Rural Health Clinics
	✓ Adult Medicine
	✓ Geriatrics
	~~✓ Adolescent Medicine~~
	Exclude
		✓ Nurse, non-practitioner
		✓ Certified clinical nurse specialist
		  ✓ Adult Health
		  ✓ Community/Public Health
		  ✓ Pediatrics
		  ✓ Chronic Health
		  ✓ Family Health
		  ✓ Gerontology
		~~✓ Hospice and Palliative Medicine~~
		~~✓ Preventive Medicine~~
		~~• Sleep Medicine~~
		~~• Naturopathic Medicine~~
		~~• Obesity Medicine~~
		~~• Sports Medicine~~
		~~• Obstetrics and Gynecology~~
		Exclude

Recommended Places of Service

Please note place of service restrictions would be paired with provider and service restrictions.

All or Nearly All Include (~100%)	Most Include (~75%+)	Some Include (>70%)	None or Few Include* (>25%)
✓ Office ✓ Telehealth ✓ School ✓ Home ✓ Federally Qualified Health Center ✓ Public Health & Rural Health Clinic ✓ Worksite	• ~~Walk-in Retail Health Clinic~~ • ~~Urgent Care Facility~~ **Exclude**	✓ Homeless Shelter ✓ Assisted Living Facility ✓ Group Home ✓ Mobile Unit ✓ Indian Health Service** ✓ Tribal Facility** ✓ Correctional Facility** • Outpatient Hospital	• Pharmacy • ~~Inpatient~~ • ~~Emergency Room~~ **Exclude**

*Percentage based on three primary care definitions that included place of service restrictions. ** Sufficient data not available at this time.

Recommended Services

The table below shows examples of groups of CPT codes used in primary care investment definitions. Please note service restrictions would be paired with place of service and provider restrictions.

All or Nearly All Include (85%+)*	Most Include (~50% to 75%)	Some Include (~10% to 50%)
✓ Office visit ✓ Home visit ✓ Preventive visits (including OB-GYN) ✓ Immunization administration ✓ Transitional care & chronic care management ✓ Health risk assessment ✓ Advanced care planning	✓ Interprofessional consult (e-consult) ✓ Team conference w or w/o patient ✓ Prolonged preventive service ✓ Domiciliary or rest home care/ evaluation ✓ Hospital outpatient clinic visit	✓ Minor procedures (e.g., skin lesions, cyst removal, abscess drain, skin tag removal, spirometry, EKG/ECG, OB-GYN including insertion/removal of contraceptive devices) ✓ Group visits ✓ Remote patient monitoring ✓ Labs ✓ Injections ✓ Maternity care • ~~Immunizations**~~ **Exclude**

*Percentage based on fifteen primary care definitions that included service restrictions. **Refers to immunization product, not administration.

Service Provision Privileges for Pharmacists in CA

Senate Bill 493 (April 2013)	**Assembly Bill 317** (October 2023)

• Permits a pharmacist to, among other things, perform certain procedures or functions in a licensed health care facility and certain procedures as part of care provided by a health facility, licensed home health agency, and licensed clinic in which there is a physician oversight.
• Permits an "advanced practice pharmacist" to:
  • Perform physical assessments
  • Order and interpret medication-related tests
  • Refer patients to other providers
  • Manage medications under physician protocol or as part of an integrated system
  • Participate in evaluation and management of health conditions
	• Applies to every health care service plan and every insurer issuing disability insurance that offers coverage for a service within the scope of a duly licensed pharmacist.
	• Requires plans to pay or reimburse the cost of the service performed by a pharmacist at an in-network and an out-of-network pharmacy.
	• The following conditions must be met:
	  • The service performed is within the lawful scope of practice of the pharmacist.
	  • The coverage otherwise provides reimbursement for identical services performed by other licensed health care providers.

California State Legislature. Senate Bill 493 Pharmacy Practice. Passed on October 1, 2013.
California State Legislature. Assembly Bill 317 Pharmacist Service Coverage. Passed on October 7, 2023.