



## Office of Health Care Affordability's Investment and Payment Workgroup Charter

### INVESTMENT AND PAYMENT WORKGROUP CHARTER

#### Purpose

Support the Office of Health Care Affordability (OHCA), at the Department of Health Care Access and Information (HCAI), in the development of alternative payment model (APM) contracting standards and APM, primary care, and behavioral health definitions, data collection processes, and benchmarks.

#### Workgroup Background and Scope

With the enactment of the state budget for fiscal year 2022-23, OHCA is responsible for collecting data to calculate total health care expenditures (THCE), analyzing the health care market for cost trends and drivers of spending, developing data-informed policies for lowering health care costs for consumers and purchasers, creating a state strategy for controlling the cost of health care, and ensuring affordability for consumers and purchasers, and enforcing cost targets. This Workgroup will support OHCA with specific responsibilities related to APMs, primary care investment, and behavioral health investment including:

#### **APM Adoption**

- Promote the shift of payments based on fee-for-service (FFS) to alternative payment models (APMs) that provide financial incentives for equitable high-quality and cost-efficient care.
- Convene health care entities and organize ~~this an~~ APM workgroup, set statewide goals for the adoption of APMs across the care continuum, measure the state's progress toward those goals, and adopt contracting standards health care entities can use.
- Set benchmarks that include, but are not limited to, increasing the percentage of total health care expenditures delivered through APMs or the percentage of membership covered by an APM.

#### **Primary Care and Behavioral Health**

- Measure and promote a sustained systemwide investment in primary care (PC) and behavioral health (BH).
- Measure the percentage of total health care expenditures allocated to PC and BH and set spending benchmarks that consider current and historic underfunding of primary care services.
- Develop benchmarks with the intent to build and sustain infrastructure and capacity and shift greater health care resources and investments ~~away from specialty care and~~ toward supporting and facilitating innovation and care improvement in PC and BH.
- Promote improved outcomes for PC and BH.

#### **Workgroup Objectives**

- Ensure stakeholder engagement in key program development decisions regarding APM, PC, and BH ~~and~~ definitions and data collection.
- Provide input and feedback as OHCA develops recommendations for APM, PC, and BH benchmarks.
- Identify and discuss the relationships and interactions among the APM, PC, and BH components.



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**Workgroup Member Roles and Responsibilities**

- Actively participate in meetings, prepare to the best of ability
- Contribute expertise, insights, and ideas
- Share the perspectives of their organization and the stakeholder group they represent
- When requested, solicit feedback from colleagues within their organization and across the state

**OHCA Team Roles and Responsibilities**

- Support Workgroup members and consulting team, Freedman HealthCare (FHC)
- Develop meeting agendas and materials in coordination with the consulting team
- Coordinate the flow of information, including to the OHCA Board and Advisory Committee

**FHC Team Roles and Responsibilities**

- Support OHCA and Workgroup members in reviewing other state approaches, summarizing stakeholder feedback, and providing options with tradeoffs
- Create an interactive, collaborative environment that supports members' contributions
- Develop efficient meeting agendas and send materials in advance to ensure good use of workgroup members' time

**This workgroup will include:**

- Reviewing best practices and lessons learned from other states, previous work in California, and literature
- Informing the development of APM contracting standards and APM, PC, and BH definitions, data collection processes, and benchmarks
- Engaging stakeholders to gain the benefit of their knowledge and experience
- Discussions on how to develop effective, sustainable approaches for California

**This workgroup will not include:**

- Developing formal recommendations
- Final decision making

**Workgroup Focus for Next 12 Months**

*We will be addressing APM, PC, and BH topics throughout the duration of the workgroup as these components intersect. As presentations on these topics are made to the Advisory Committee and the Board, OHCA will return to the Workgroup to debrief and for further discussion. **Projected Timing\****

1. Launch Workgroup	June 2023
2. Inform development of APM measurement, statewide goal, and contracting standards	June – October 2023
3. Inform development of PC measurement and benchmarks	October 2023 – February 2024



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4. Expand Workgroup to include full BH care continuum	March 2024
5. Inform development of BH measurement and benchmarks	March – July 2024