



maryland
health services
cost review commission

EQIP Subgroup

September Meeting

9/15/2023

Agenda

- Performance Year 1 Results
- Incentive Payment Timeline
- Claim Threshold and Quality Policy
- PY3 Administrative and Enrollment Updates
- Performance Year 4 Episode Development

Performance Year 1 – Results

Episodes for PY1, Episode Type, Length

Cardiology	Gastroenterology and General Surgery	Orthopedics and Neurosurgery
Pacemaker / Defibrillator – Procedure, 30	Colonoscopy – Procedure, 14	Hip Replacement & Hip Revision – Procedure, 90
Acute Myocardial Infarction – Acute, 30	Colorectal Resection – Procedure, 90	Hip/Pelvic Fracture – Acute, 30
CABG &/or Valve Procedures – Procedure, 90	Gall Bladder Surgery – Procedure, 90	Knee Arthroscopy – Procedure, 90
Coronary Angioplasty – Procedure, 90	Upper GI Endoscopy – Procedure, 14	Knee Replacement & Knee Revision – Procedure, 90
		Lumbar Laminectomy – Procedure, 90
		Lumbar Spine Fusion – Procedure, 180
		Shoulder Replacement – Procedure, 90

Enrollment Summary

EQIP entities enrolled: 50
Total Care Partners: 1,979
Specialties represented: 32
Smallest Entity: 1 CP
Largest Entity: 994 CPs
Entities participating in more than 2 episodes: 19

Clinical Episode Categories	Number of EQIP Entities	Number of Care Partners
Cardiology	20	1,317
Gastroenterology	17	1,245
Orthopedics	25	1,745

EQIP Year 1 Results

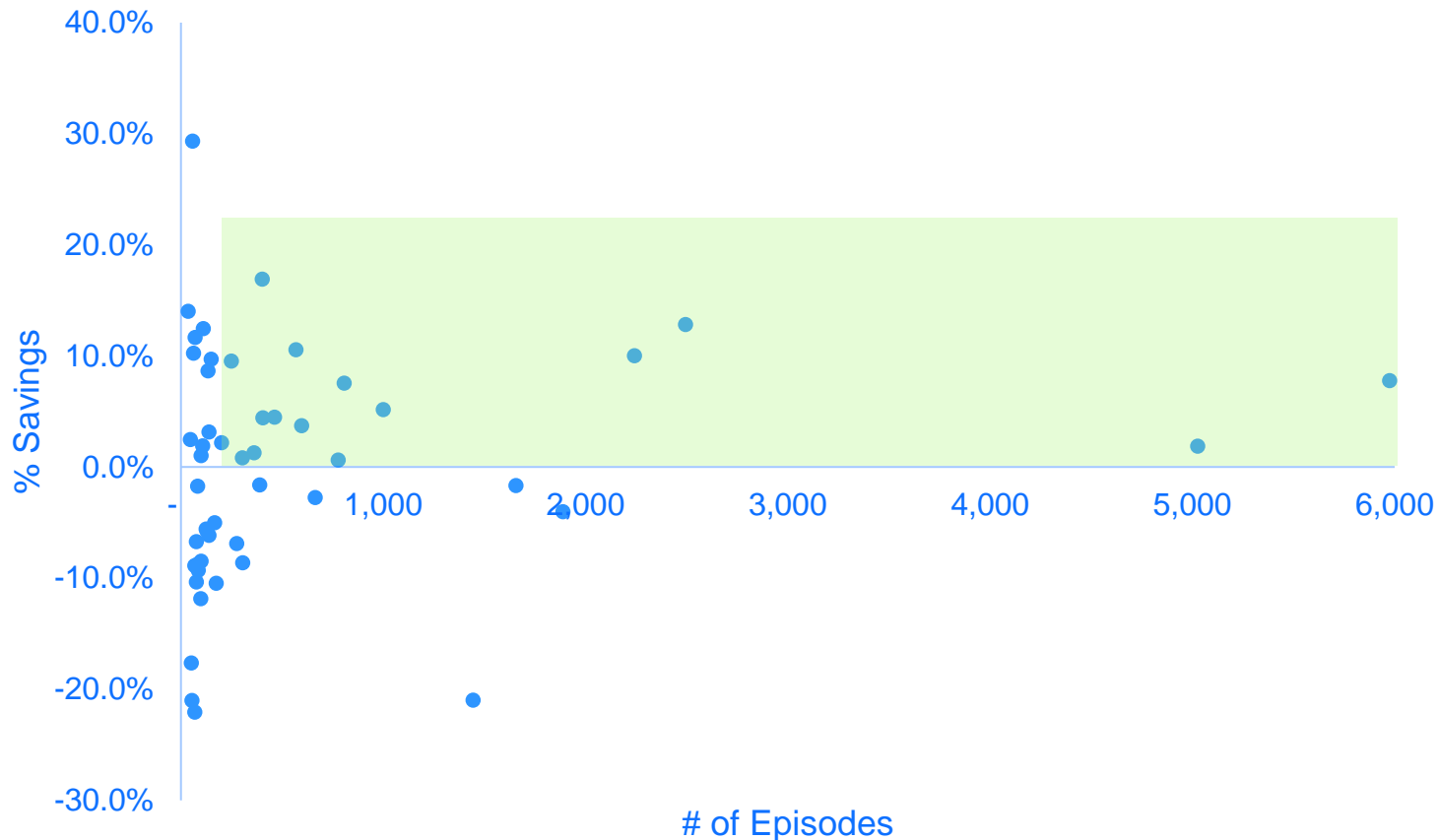
- EQIP saved \$20 million in total cost of care in 2022. Overall, EQIP episodes accounted for ~\$400 million in costs so the savings rate was approximately 5%.
 - Savings were only counted if the entity exceeded a 3% minimum savings rate, which was created to ensure that savings and payouts from EQIP would be statistically significant.
 - 19 EQIP entities earned savings out of a total of 50. However, the majority of the smaller practices had difficulty earning savings.
- Based on the savings, we expect to pay out \$13 million in incentive payments to physicians (i.e., 60% of the total earned savings).

Size Matters!

- The amount of savings earned by the practices was partially determined by the number of episodes the practice had.
 - On average the top quintile in terms of volume saved about \$1 mil. The lower quintiles had very little impact.
 - Similarly, the average percent savings per episode was correlated with the number of episodes.
 - Note because there is substantial variation within the lower quartiles. For instance, Q5 varies from +29% to -22% episode savings.
- This could be because larger practices had more resources to use in the program.
- It could also be because the statistical noise from the small sample size has washed out the signal from the program.

Quintile based on number of Episodes	Average \$ Savings by Quintile	Average Savings % by Quintile
1 (>687 Episodes)	\$992,459	2%
2 (127-287 Episodes)	\$309,631	3%
3 (76-127 Episodes)	\$(3,136)	0%
4 (35-76 Episodes)	\$(116,642)	-3%
5 (<35 Episodes)	\$(16,068)	-2%

Distribution of Savings by EQIP Entity



- If EQIP had no effect, we would expect to see a random distribution, with equal numbers of episodes above and below \$0.
- Instead, we see a skewed distribution towards savings among larger practices (green shaded area)
- This makes intuitive sense as there is little reason to expect costs to increase because of EQIP.
- Most smaller practices did not see significant savings, whereas large practice with significant economies of small earn most of the savings.

Note: EQIP Entity shown at approximately 6,000 episodes actually had over 12,000 episodes but is shown at this lower number to allow for a narrower axis.

Analysis by Episode Type

Episode	% of Total Baseline Spend	% Savings
Acute Myocardial Infarction	3.7%	-1.7%
CABG &/or Valve Procedures	10.8%	-4.6%
Pacemaker / Defibrillator	9.8%	3.9%
Coronary Angioplasty	8.0%	1.0%
Total Cardiology	32.3%	-0.3%

Colonoscopy	4.5%	1.8%
Colorectal Resection	2.4%	-13.2%
Gall Bladder Surgery	1.8%	-6.3%
Upper GI Endoscopy	3.5%	3.6%
Total Gastroenterology	12.2%	-1.8%

Hip Replacement & Hip Revision	12.2%	7.9%
Hip/Pelvic Fracture	5.8%	-8.6%
Knee Arthroscopy	0.7%	8.5%
Knee Replacement & Knee Revision	21.6%	9.4%
Lumbar Laminectomy	1.7%	0.6%
Lumbar Spine Fusion	10.4%	8.9%
Shoulder Replacement	3.2%	-6.9%
Total Orthopedics	55.5%	5.9%

- Savings do not reflect exclusion of episodes below MSR, as that is applied at an entity level, so % savings is lower.
- Orthopedics represents both the largest share of episodes and the best savings.

Overall Assessment & Next Steps

- CRISP Learning Collaborative has commissioned a formal evaluation study, expect to release it in the next 3-6 months.
- CRISP/MedChi to host Learning Collaborative highlighting practices earning incentive payments
- The Year 1 results are favorable and exceeded our expectations.
 - The program savings exceeds that from CMMI's bundled payment programs and other programs nationally.
 - While the dollar value of the savings is small in the context of MD TCOC, EQIP could have a substantial impact on the savings test if the savings rate can be maintained as the program grows.
- Years 2 and 3 will substantially expand the program.
 - We are added new episodes. 25 new episodes in Year 2 and 5 new episodes in Year 3.
 - The number of participants is also increasing substantially. We expect to have around 4 thousand participants in Year 3, about 2 times the size of the program in Year 1.
- Support for smaller practices
 - In Year 3 Medchi assisted smaller practices in grouping together into single entities
 - In Year 4+, we are considered providing practices with some practice transformation supports.
 - Currently, EQIP has been very low touch with practices, meaning limited engagement between HSCRC / CRISP staff and the practices.
 - This has ensured that the administrative burden on the program on participants remains small. However, it is clear small practices may not have the resources to identify and deploy interventions that will lead to their success.
 - Practice transformation support could help raise the smaller practices to the level of success of the best performing practices.

Performance Year 1 – Incentive Payment Timeline

Incentive Payment Methodology

Incentive Payments will be direct checks made from the CRP Entity to the EQIP Entity for aggregate positive performance after a minimum savings threshold, shared savings split, and quality adjustment are applied.

1. Performance Period Results

- The Performance Period Episode costs are less than the Target Price in the aggregate across all episodes in which the EQIP Entity participates.
- At least three percent of savings are achieved (stat. significant)
- Dissavings from prior year (if any) are offset

2. Shared Savings

- Each Care Partner's Target Price** will be compared to the statewide experience and annually ranked based on relative efficiency. Lower cost practitioners will be in a higher tier and vice versa.
- The Shared Savings split with Medicare will be based on the Care Partner's Target Price rank

Target Price Rank	% of Savings to due EQIP Entity
Up to 33 rd percentile	50 percent
34 th – 66 th percentile	65 percent
66 th + percentile	80 percent

3. Clinical Quality Score

- 5% of the incentive payment achieved will be withheld for quality assessment
- The EQIP Entity's quality performance will indicate the portion of this withholding that is 'earned back'

5. Final Incentive Payment

- Paid directly to the payment remission source indicated by the EQIP Entity*
- Paid in full, nine-twelve months after the end of the performance year
- In addition to incentive payments, if QPP thresholds are met, Medicare will pay a bonus to practitioners and increase rate updates in future years.

4. Incentive Payment Cap

- The result is no more than 25 percent of the EQIP Participant's prior year Part B payments

*The EQIP entity can direct the payment remission source to distribute payments to individual Care Partners however it desires.

Care Partner Arrangements (CPA) Permits Payments to Entities

- As per the State and UMMC's Agreement with CMS, Incentive Payments may not be distributed to an “individual or entity other than a Care Partner with whom the Hospital has a fully executed written Care Partner Arrangement.”
- For EQIP, the HSCRC has written a standardized Care Partner Arrangement **required for all Care Partners intending to participate in an EQIP Entity.**

Care Partner Arrangement & Payment Remission Recipient

Payment Remission Recipient

Please indicate where your EQIP Entity will receive incentive payments.

- This information will be used to generate a Care Partner Arrangement for each NPI, or Care Partner, including the Payment Remission Recipient for an EQIP Entity can be an individual care partner, a group or one of its administrative proxies.
- The Payment Remission Recipient has no formal relationship with the HSCRC and EQIP policy. Care Partners have no relationship in their Care Partner Arrangement.
- The Payment Remission Recipient for an EQIP Entity can be an individual care partner, a designated proxy, or one of the EQIP Entity's administrative proxies.
- Only one Payment Remission Recipient is allowed per EQIP Entity.

EQIP Incentive Payments

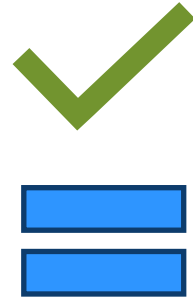
The EQIP Entity is eligible to earn a reconciliation payment based on the cost of all Medicare FFS expenditures for the clinical episodes for which the EQIP Entity elects to participate in. The HSCRC will compare the Medicare FFS expenditures to a target price, based on the episodes created from relevant costs as determined by the Prometheus Episode Grouping.

If, 1) the aggregate total Medicare FFS expenditures across all clinical episodes in the performance year is less than the aggregate target prices for those episodes from the baseline at the performance year volume, and 2) this amount is greater than three percent of the baseline aggregate, the EQIP Entity will receive a positive reconciliation amount.

The EQIP Entity will be eligible for a share of their savings, or positive reconciliation amount based on their statewide ranking of episode costs. The final Incentive Payment will be the positive reconciliation amount, adjusted for the EQIP Entity's quality performance, as calculated and reported by the HSCRC. Technical documentation for this process is available at the HSCRC Website.¹

The EQIP Entity is responsible for distributing the Incentive Payments to individual Care Partners. This agreement will not oversee or dictate Incentive Payment distribution amongst multiple Care Partners who participate in the EQIP Entity. Incentive payments will be paid to the EQIP Entity 18-24 months after the start of the first Performance Year via check or direct money transfer. This Care Partner acknowledges the EQIP Entity has elected the following Payment Remission Recipient for their Incentive Payment distribution:

[Payment Recipient Organization Name]
 [Payment Recipient Address Line 1]
 [Payment Recipient Address Line 2]



Form **W-9**
 (Rev. October 2018)
 Department of the Treasury
 Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check **only one** of the following seven boxes.

Individual/sole proprietor or single-member LLC

C Corporation

S Corporation

Partnership

Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Other (see instructions) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions. Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Payment Remission Recipient entered during enrollment is used to generate Care Partner Arrangements

In Preparation for 2023 Payments, UMMC collected W9s and entered all Entities into their internal system.

Submitted W9s must match the executed Care Partner Arrangements.

CPA and W-9 Mismatch

EQIP Incentive Payments

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2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes:
 Individual/sole proprietor or single-member LLC
 C Corporation
 S Corporation
 Partnership
 Trust/Vestee
 Limited liability company. Enter the tax classification (C-C corporation, S-S corporation, P-Partnership) in the space below the box.
Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

4 Exemptions (codes apply only to certain entities; not individuals; see instructions on page 3):
Exempt payee code (if any)
Exemption from FATCA reporting code (if any)

5 Address (number, street, and apt. or suite no.) See instructions.

6 City, state, and ZIP code

7 List account number(s) here (optional)

Requester's name and address (optional)

- If the Organization Name or Address on the CPA and W-9 do not match exactly, payment cannot be distributed
- Resolutions:
 - 1) Entities can re-submit a W-9 that matches CPA. Note, utilizing the 'business as' line on the W-9 may assist with matching Organization Name OR
 - 2) If the submitted W-9 should replace the Payment Remission Information, we will require all Care Partners to sign an amendment

Incentive Payment Timeline

- EQIP Entities who earned incentive payments and have a CPA/ W-9 mismatch have been notified
 - For entities who require amendments, UMMS will distribute pre-populated amendments late September 2023
- HSCRC is conducting a post-episode monitoring analysis and verifying incentive payment cap with CMS
- Payments will be mailed via paper check in Q4, starting late October
 - CRISP will notify Entities when checks are mailed

Claim Threshold and Quality Policy

Claim Threshold and Quality Policy

- Claim Threshold: EQIP Entities must have at least 75% of their enrolled Care Partners with at least one claim included in an episode's window for the baseline period (CY 2019). Care Partners who do NOT touch a claim in baseline are considered on probation and must touch a claim in during the performance year to be eligible for the next year.
- Quality Metric Threshold: If the quality performance rate for the EQIP Entity is below the 20th percentile benchmark threshold, the EQIP Entity will receive zero points for that measure and will receive notice that they are on probation. Two consecutive PYs on probation will result in automatic removal of the Entity from EQIP
- Due to timing of data, the second consecutive year will be assessed using the first two quarters of the Performance Year
 - Entities are notified of probation status at the start of each performance year
 - Entities will be notified early 2024 of the final PY3 status
- Care Partners who are no longer eligible for PY3 due to the Claim Threshold Policy can re-enroll for PY4
- All PY1 Entities on quality probation improved performance and were removed from a quality probation status

Claim Threshold and Quality – Probation Timeline

Jul/Aug 2022

- Care Partners (CP) and Entities Enroll in PY2

Jan 2023

- Entities notified of CPs and Quality Probation

Jan-Dec 2023

- Entities and CPs participate in PY2

Jul-Aug 2023

- Entities and CPs on probation are eligible to enroll in PY3

Jan/Feb 2024

- Final status* for probation determined
- Entities notified of CPs

**Determined using PY2 Q1-2 Data*

PY 3: Administrative and Enrollment Updates

EQIP Enrollment Process



September 1st , 2023

- Deadline for Submission of Care Partners in EEP for CMS vetting

September 2023

- EQIP Entities finalize their episode and intervention selection
- EQIP Entities may split or combine with others if their Care Partners were included in vetting to CMS

October 2023

- CMS Vetting Results are available in EEP
- Care Partner Arrangements Distributed

October – December 2023

- EQIP Entities follow-up with their Care Partners to ensure Arrangement signature

December 31st , 2023

- All Care Partners who signed their Arrangement will be determined 'enrolled'
- Care Partners who do not sign their Arrangements are removed from EQIP Entities for Performance

Enrollment Update for Performance Year Three

Enrollment as of September 1st:

- 10,084 Care Partners submitted for CMS vetting*
- Representation from 41 specialties
- 130 EQIP Entities
- *Final participation will not be determined until 1/1/24

Through the end of 2023, the HSCRC and CRISP will work with participants to:

- Finalize CMS vetting status and eligibility
- Adjust Care Partner list as determined by eligibility audit
- Complete contracting and payment operations with UMMC

September - October 2023 Enrollment Activities

- Entities will submit W-9 for PY3
- De-duplication of Care Partners across EQIP Entities
 - Care Partners may only be in one EQIP Entity
 - HSCRC/CRISP will contact Lead Care Partner & Admin Proxys of duplicated Care Partners
 - If a Care Partner does not attest to a preference for one Entity and neither Entity claimed the Care Partner, the Care Partner will be assigned to the smallest volume Entity
- Results from PECOS audit from CMS will be posted in EEP (Late October)
 - Care Partners who did not pass PECOS screening are not permitted to participate in PY4
 - Program Integrity and Law Enforcement CMS vetting results will be returned late 2023, impact should be smaller

September - October 2023 Enrollment Activities

- EQIP Entities will be audited to ensure at least 75% of Care Partners had at least one claim connected to a baseline episode
 - EQIP Entities who do not reach this threshold will be asked to edit their Care Partner lists
 - If your Entity is not contacted, the threshold will be met
- Upon edits to the Care Partner list, Volume Threshold will be verified to determine continued eligibility
 - Due to the composite of final Care Partner lists, some entities will fall below threshold for certain episodes. Participation in those episodes will be terminated, other episodes participation will continue.

Care Partner Arrangement – PY3 Requirement

- All Care Partners will be required to sign a Care Partner Arrangement
 - CPAs will be updated to include language regarding CPA/W-9 match
- Care Partner Arrangements will be sent out to EQIP Entity Lead Care Partners and Administrative Proxies starting 11/1
 - Contracts will be pre-filled and standardized across the state, no changes will be allowed
 - Email will come from the CRP Entity, University of Maryland Medical EQIP@umm.edu
 - LCP and APs will be responsible for disseminating information to individual Care Partners

Care Partner Arrangements must be signed and returned to participate in the EQIP

EQIP PY3 Timeline

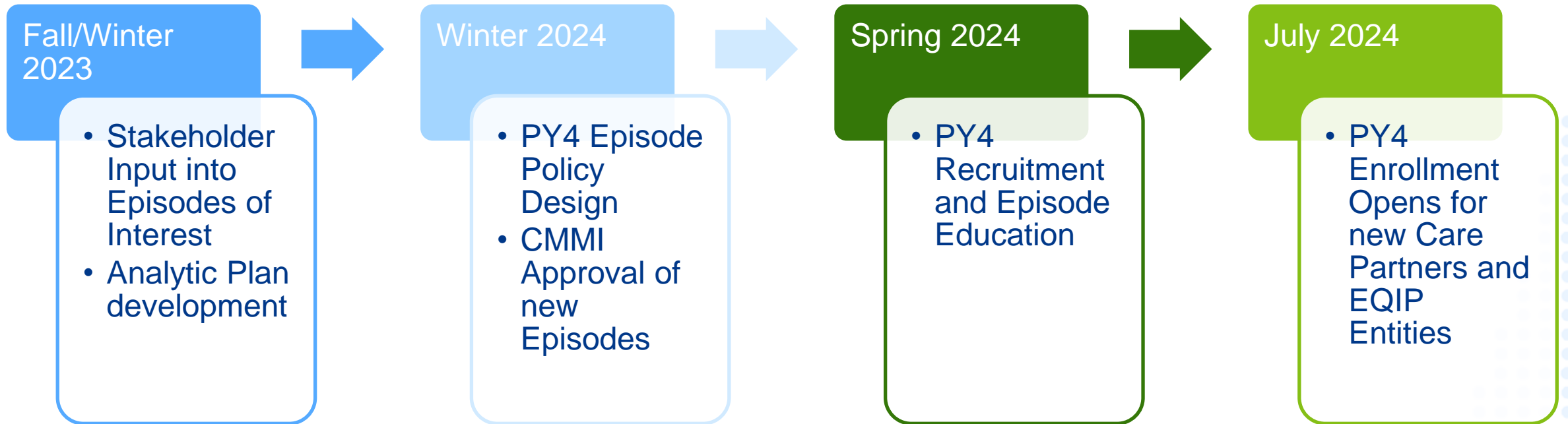
Jul. 7 th 2023	<ul style="list-style-type: none">• EEP opens for PY3 enrollment
Sep. 1 st 2023	<ul style="list-style-type: none">• EEP closes for PY3 enrollment
Sep-Dec 2023	<ul style="list-style-type: none">• CMS Vetting & Contracting
Dec. 31 st , 2023	<ul style="list-style-type: none">• Care Partner Arrangement Contracting Deadline
<u>Calendar Year 2024</u>	
Jan 1, 2024	<ul style="list-style-type: none">• Performance Year 3 Starts
Jan, 2024*	<ul style="list-style-type: none">• PY3 Preliminary Target Prices and Baseline Data available in EEP
Q4 2025	<ul style="list-style-type: none">• PY3 Incentive Payments distributed

* Performance Data Release Schedule may vary to ensure QA



PY4 Episode Development

Performance Year Four (CY2025) Episode Development Process



Additional Episode Development

- We welcome ideas from other stakeholders. In order to develop an episode, stakeholders will need to identify:
 - A list of triggering procedures or diagnosis
 - Included and excluded costs for the episode
- The HSCRC is committed to working with all interested stakeholders, but we have limited bandwidth.
 - We anticipate adding 1-2 new episodes per year
 - We will prioritize based on the number of interested physicians

Thank you!