



Episode Quality Improvement Program (EQIP): New Program Designed for Specialists

March 3, 2020

Agenda

- ▶ **EQIP Design**
 - ▶ Rationale and overview
 - ▶ Payment flow example
 - ▶ Potential YI episode categories
- ▶ **EQIP Operations and Schedule**
- ▶ **Overlaps**
- ▶ **Discussion**

EQIP Design*

* State is currently in discussions/negotiations with CMMI on EQIP,
thus everything is subject to change.



Bad News: For years, CMMI has excluded Maryland from many of their models or limited take-up

- ▶ Bundled Payments for Care Improvement Advanced (BPCI Advanced)
- ▶ Oncology Care Model (OCM)
- ▶ New Radiation Oncology (RO) Model [proposed]
- ▶ Comprehensive Primary Care Plus (CPC+)

Good News: Maryland Model* now permits developing our own versions

- ▶ Maryland Primary Care Program (MDPCP started January 2019)
- ▶ **Episode Quality Improvement Program (EQIP)**
 - ▶ Expected RFA in Spring 2020
 - ▶ Expected start date January 2021
- ▶ Also, CMMI permitting Maryland providers into newest proposed kidney models (ETC [proposed], KCF, CKCC)
- ▶ CMMI will permit Maryland providers' participation in their models IF hospitals are not a substantial source of savings
 - ▶ CMMI can't calculate actual Medicare savings in hospitals because of hospitals' Global Budget Revenue (GBR)
 - ▶ For EQIP and similar programs, the State will calculate the savings obtained using a methodology approved by CMS

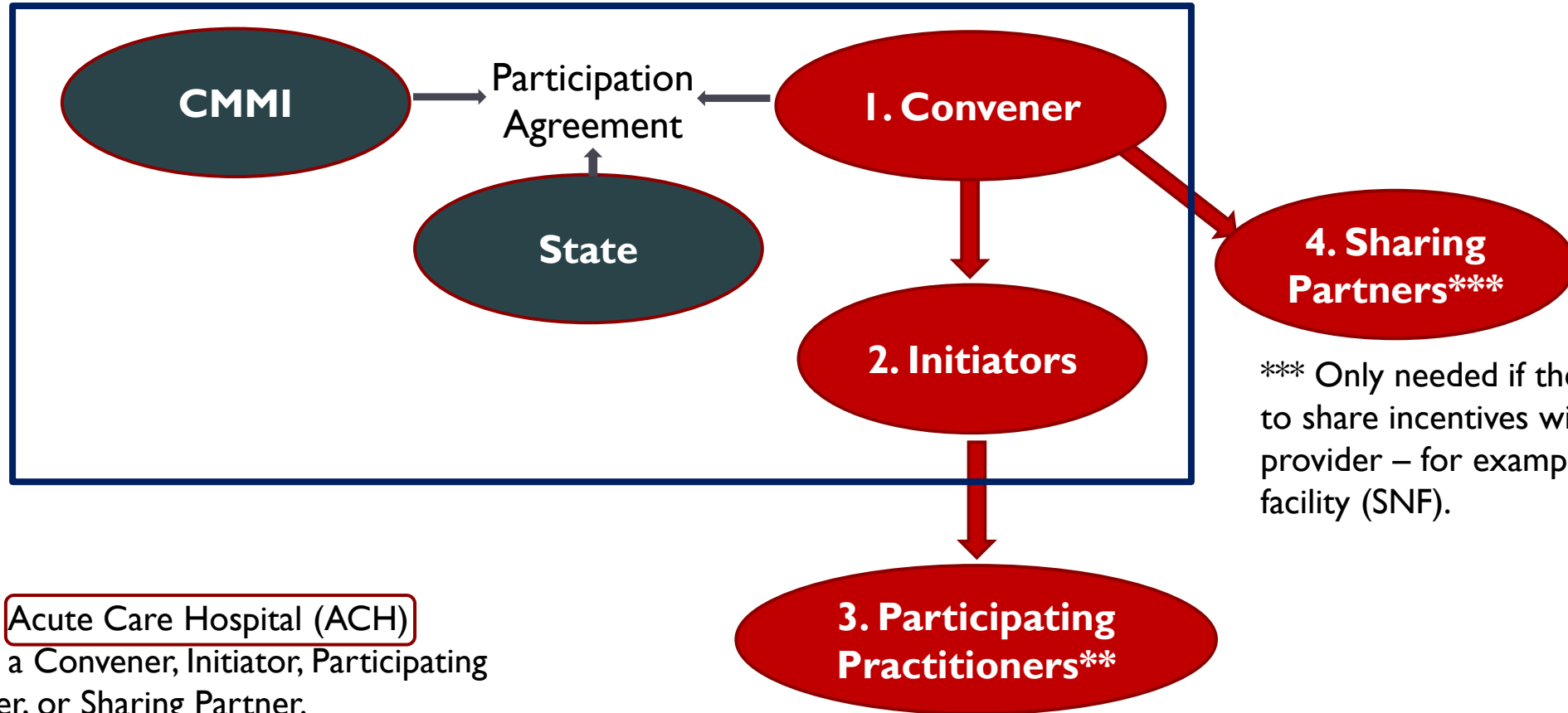
▶ 5 * Sometimes referred to as the All-Payer Model, the Total Cost of Care (TCOC) Model, or "the Waiver." Of these alternatives, TCOC Model is most accurate. Generically we just say "Maryland Model."

Episode Quality Improvement Program (EQIP): Overview and goals

- ▶ EQIP is an episode-based payment program for non-hospital providers designed to:
 - ▶ Help the State meet the financial targets of TCOC Model
 - ▶ Include more providers in a value-based payment framework (that is, to have responsibility and share in rewards for reducing Medicare TCOC spending)
 - ▶ Encourage multi-payer alignment in a value-based payment framework
 - ▶ Include more episodes than in CMMI models
 - ▶ Broaden access to Medicare's 5% Advanced APM MACRA opportunity
- ▶ As with almost all Maryland Model programs, participants (Conveners in EQIP context) **must accept more-than-nominal downside risk**
 - ▶ Episode Initiators (e.g., physician partners) can participate through a Convener and agree on risk/reward arrangement
- ▶ Targeted start date of January 2021, with RFA Spring 2020
 - ▶ Can sign up or withdraw annually

EQIP's Types of "Participants"*

* Some attorneys prefer that the term "participants" only refers to those signing the Participation Agreement (PA). In EQIP, that would be only Conveners, plus CMMI and the State.



*** Only needed if the Convener wishes to share incentives with a non-Initiator provider – for example, a skilled nursing facility (SNF).

** Only needed if (1) the Initiator is a PGP or Facility, and (2) that Initiator wants to share payments with their practitioners.

NOTE: An **Acute Care Hospital (ACH)** cannot be a Convener, Initiator, Participating Practitioner, or Sharing Partner.

EQIP's Types of Participants: 1. Conveners

I. Episode Convener

- ▶ Entity that bears the risk (to CMMI an “Advanced APM Entity”)
- ▶ Legal entity like an ACO, CTO, PGP, or a Participant in BPCI-Advanced
- ▶ Respond to Request for Applications (RFA), sign Participation Agreement (PA), and submit Implementation Protocol (IP)
- ▶ Expecting no more than a dozen Episode Conveners (but no State/Federal restriction on number)
- ▶ Enter into agreement with Episode Initiators (EIs)
- ▶ Provide their Episode Initiators with resources and support, for example:
 - Technical assistance, outreach and education, enrollment support
 - Care management resources
 - Episode management and analytics

EQIP's Types of "Participants": 2. Initiators

2. Episode Initiators

- ▶ Do not sign PA with CMMI and State
- ▶ Medicare suppliers and providers (e.g., doctors) that:
 - Initiate clinical episodes,
 - Implement care intervention plans,
 - Treat patients
- ▶ Enter into agreement with Convener
 - CMMI and State not a party
- ▶ NPIs like those on:
 - ACO list,
 - MDPCP practice roster, or
 - CRP Certified Care Partner list
- ▶ NPIs must be submitted by potential Conveners to CMMI for vetting (program integrity). Once approved through vetting, can participate with ONE Convener

EQIP's Types of "Participants": 3. Participating Practitioners 4. Sharing Partners

3. Participating Practitioners

- ▶ If the Initiator is a PGP or a non-ACH facility, they may want to share payments with their individual downstream practitioners

4. Sharing Partners

- ▶ The Convener may want to share incentive payments with non-Initiator organizations (e.g., with a PAC facility that is helping reduce readmissions and TCOC but is not an Initiator)

EQIP: Simplified hypothetical example

Actual details TBD

- ▶ Convener elects to take responsibility for Medicare TCOC for:
 - ▶ Triggered by _[CPT code(s)]
 - ▶ For spending over _[90]__ days
- ▶ The Convener's average Medicare TCOC is \$10,000 per beneficiary
 - ▶ CMS wants its 3% savings: Discount Factor → \$9,700 Target Price
 - ▶ Across the Convener's patients, if the Convener's average per beneficiary spending falls below \$9,700 (on risk-adjusted basis, assuming certain quality metrics are met), Convener receives payment from Medicare
 - ▶ On the other hand, average Medicare TCOC above \$9,700* will require a payment from the Convener
- ▶ Because Maryland hospitals operate under global budgets, reductions in Medicare hospital utilization do not produce a one-for-one savings to Medicare
 - ▶ Convener payments linked to hospital spending will be discounted by ~50%
- ▶ BPCI Advanced has stop-loss/stop-gain of 20% of sum of Target Prices at the Episode Initiator level

▶ || * Consistent with CMMI's BPCI Advanced, which is the primary model for EQIP
Note: Care management fees, aka MEOS payments, not part of BPCI Advanced

Overview of EQIP episode elements

- ▶ Triggering Service identifiable through claims
- ▶ Duration of Episode
- ▶ Qualifications: Eligible Medicare providers
- ▶ Medicare spending included/excluded
 - ▶ Generally all Part A and Part B spending is included, with some exceptions and limitations
 - ▶ Some Part D may be included for oncology, similar to CMMI's Oncology Care Model (OCM)

EQIP Subgroup meets **1-3 p.m. on 3/13 at MHA**, provides State with input on:

- (a) Episodes to include (prioritization), and
- (b) Episode design,

recognizing there are **annual opportunities for updates and participation**



'Easiest' EQIP episodes to include: Episode categories where CMMI excluded Maryland

- ▶ **BPCI Advanced** (<https://innovation.cms.gov/initiatives/bpci-advanced#episodes>)
 - ▶ Ortho (e.g., knee replacement/revision, knee arthroscopy, lumbar laminectomy, shoulder replacement)
 - ▶ Cardio (e.g., coronary angioplasty, pacemaker/defib)
 - ▶ GI (e.g., colonoscopy, gall bladder surgery, upper GI endoscopy)
 - ▶ **Planning to include for Y1 EQIP: But only outpatient triggered for Y1**
- ▶ **OCM (oncology)**
 - ▶ However, CMMI is phasing out approaches with supplemental care management fees (e.g., MEOS), based on evidence and reductions in Medicare savings
 - ▶ CMMI would want accounting for Part D, which would be new for Maryland Model
 - ▶ **Not planning for Y1 EQIP. Will explore for Y2**
- ▶ **Draft: Radiation Oncology (RO)**
 - ▶ **Not planning for Y1 EQIP. Will explore for Y2**

Another possible EQIP episode: ED triggers

- ▶ Presented to Maryland Stakeholder Innovation Group (SIG) in July 2019
 - ▶ At that and follow-up SIG meetings, discussed interest as a track in hospital-convened Care Redesign Program (CRP) or as an EQIP episode
 - ▶ Don't see significant interest as a CRP track
 - ▶ HSCRC staff exploring viability for YI EQIP episode
 - ▶ Trigger would be an ED visit with the following diagnoses:
 1. Chest pain
 2. Syncope
 3. Congestive heart failure
 4. Skin & soft tissue infections
 5. Asthma/COPD
 6. Deep vein thrombosis
 7. Pneumonia
 8. Atrial fibrillation
 9. Hyperglycemia with diabetes mellitus

EQIP Operations and Schedule*

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State capacity to administer EQIP leverages current ECIP activities (hospital program), shown here, p. 1

The State currently administers a hospital-convened version of EQIP called the Episode Care Improvement Program (ECIP). Under ECIP:

- ▶ The State and CMMI developed a Participation Agreement (PA) for hospitals to sign
- ▶ The State developed a template for each hospital to fill out for their participation (Implementation Protocol), approved by CMMI
- ▶ The State and CMMI review hospitals' Implementation Protocol
- ▶ Hospitals send to the State a list of providers to be vetted, which the State uploads to CMS systems on behalf of the hospitals
- ▶ Hospitals are informed which providers passed vetting and can be Certified Care Partners
- ▶ Hospitals send to the State a list of providers to be Certified Care Partners, which the State uploads to CMS systems on behalf of the hospitals

State capacity to administer EQIP leverages current ECIP activities (hospital program), shown here, p. 2

- ▶ **Using Medicare claims data, the State and CRISP:**
 - ▶ Calculate Benchmark and Target Prices, similar to relevant CMMI Models but tweaked based on Maryland experience and lessons learned from CMS
 - ▶ Provide hospitals with powerful analytic tools to identify opportunities for TCOC improvement
 - ▶ Calculate actual performance relative to Target Price + quality adjustments
 - ▶ Inform CMMI of the amount, if any, of reconciliation payments earned by hospital under ECIP, which CMMI then pays
 - ▶ State is NOT planning to do this for EQIP, but under ECIP: Inform hospital of the amount, if any, of incentive payments earned by clinicians, which the hospital is then required to pay
 - ▶ Under EQIP, State/CMMI do not plan to collect/administer the risk/reward payments between the Convener and their Initiators/Partners. However, the Convener will need to have those arrangements in writing and available to the State/CMMI upon request and to provide/receive payments according to those agreements

EQIP Documents

- ▶ **State/CMMI provide:**

1. Request for [Convener] Application (RFA) – along with attachment/template for vetting potential Episode Initiators, Participating Practitioners, and Sharing Partners
2. Participation Agreement (PA)
3. Implementation Protocol (IP) template – along with attachment/template for final certified Episode Initiators, Participating Practitioners, and Sharing Partners

- ▶ **Every Convener submits:**

1. Completed Application, including attachment for vetting list of potential Episode Initiators, Participating Practitioners, and Sharing Partners
2. Signed PA
3. Completed Implementation Protocol, including attachment for final certified Episode Initiators, Participating Practitioners, and Sharing Partners

D R A F T

BPCI-A vs. EQIP: Key documents with Conveners

BPCI-A (for effective date of 1/1/20)		EQIP (for effective date of 1/1/21)	
Request for Application (RFA) along with template for potential Episode Initiators (EIs) for vetting and for CMMI to produce preliminary target prices	4/18/19	RFA along with template potential Episode Initiators (EIs) et al. for vetting and for State to produce preliminary target prices	Spring 2020
• Application submitted by Participants	Due 6/24/19	• Application submitted by Conveners	Due Summer
CMS provides preliminary Target Prices	September 2019	HSCRC provides preliminary Target Prices	Summer 2020
Participation Agreement (PA) available	Sept. 2019	PA available	Fall 2020
• Signed PA submitted by Participants	Nov. 2020	• Signed PA submitted by Conveners	Winter 2020
Participant Profile template, Care Redesign Plan template, Financial Arrangement list	TBD	Implementation Protocol (IP) Template available, including Certified EI template	Fall 2020
• Participant Profile, Care Redesign Plan, and Financial Arrangement list submitted	Nov. 2019	• IP and Certified EIs submitted	Winter 2020





Overlaps*

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ECIP vs EQIP-Y1 (2021): No overlaps in episodes

	ECIP	EQIP-Y1
Who convenes/controls?	Hospitals	Non-hospital conveners (but could be hospital-established entity)
Episode triggers	Hospital inpatient	HOPD and non-hospital setting
Medicare costs included	All FFS Parts A&B 90 days post discharge. Excludes hospital costs	All FFS Parts A&B – maybe some D. Generally 90 days. Includes hospital costs
Accounting for GBR feedback effects	Not applicable	Conveners given only partial credit for savings from hospital utilization
Advanced APM (for MACRA purposes)?	Yes. Generous QP calculation	Yes. Standard QP calculation
Downside financial risk?	Indirectly borne by hospitals via global budgets and MPA – and paid for by all hospitals via MPA lever	Directly borne by conveners
Payments from CMS	Via MPA lever	Directly to/from conveners
Optional incentive payments with partners	Hospital can share upside payments with downstream partners	Convener can share upside and downside payments to/from downstream partners

ECIP vs. EQIP-Y2+

- ▶ EQIP may include inpatient-triggered episodes beginning in 2022
- ▶ HSCRC staff have previously noted that ECIP could be modified to include:
 - ▶ Episodes triggered outside of inpatient setting, and
 - ▶ Spending occurring within hospitals
- ▶ In federal BPCI-Advanced, both hospitals and physicians can participate
 - ▶ When an episode occurs at a participating hospital triggered by physicians participating on their own (separate from hospital participation), then the physician “wins” the episode
- ▶ State’s expectation is that ECIP/EQIP overlap policy would reflect BPCI-A:
 - ▶ ECIP hospital signs up for particular episodes and is responsible for them unless:
 - ▶ An Episode Initiator (EI) is signed up with an EQIP Convener that participates in that exact same episode triggered in that hospital. In this case, EQIP “wins” the episode

FAQs answered by State (CMMI may disagree and their determination will be binding)

- ▶ **Can an Initiator/partner participate in both ECIP and EQIP?**
 - ▶ Yes. For 2021, there is no overlap between episodes. ECIP Hospitals may partner with Care Partners for inpatient-triggered episodes. EQIP Conveners may sign up those same providers for the outpatient-triggered episodes
 - ▶ In 2022+, if there is an overlapping episode, EQIP will “win”
 - ▶ If the ECIP Hospital has chosen an episode and, for a particular beneficiary, the initiating doctor is in EQIP, then the EQIP Convener will win that particular episode
 - ▶ If the ECIP hospital has chosen an episode and, for a particular beneficiary, the initiating doctor is NOT in EQIP, then the ECIP Hospital will win that particular episode
- ▶ **Any policies for ACO/EQIP overlaps?**
 - ▶ Current thought: EQIP will exclude all prospectively attributed ACO beneficiaries
 - ▶ State will need CMMI to provide the ACO lists in order to effectuate
 - ▶ State not very concerned if CMMI does not provide lists (see next slide)

FAQs answered by State (CMMI may disagree and their determination will be binding), p. 2

- ▶ **If EQIP payments are made for the same beneficiaries for which an ACO received a payment, isn't there concern about double payments?**
 - ▶ Maybe, but that will be on the State to manage
 - ▶ Under the Maryland Model, CMMI is guaranteed certain levels of Medicare savings statewide in exchange for the flexibility and levers provided to the State
 - ▶ The State seeks to encourage broad participation in Advanced Alternative Payment Models
 - ▶ If widespread participation in both downside ACOs and EQIP leads to double payments on the same beneficiaries, it is not clear that this would increase Maryland's TCOC by more than the savings produced, given the savings guaranteed to Medicare
 - ▶ If those payments did increase Maryland's TCOC overall, the State could use other levers that did not directly penalize those organizations accepting downside risk

FAQs answered by State (CMMI may disagree and their determination will be binding), p. 3

- ▶ **Are EQIP payments taken into account for hospitals' Care Transformation Initiatives? Isn't CMMI worried about double payments?**
 - ▶ No. Any amounts paid for CTIs are offset from all hospitals and therefore do not affect net payments to/from Medicare
- ▶ **Will EQIP payments affect Maryland TCOC financial tests?**
 - ▶ Yes
 - ▶ Payments to Conveners will count as additional costs – but are only made if the Convener has beaten the 3% Discount for TCOC (guaranteed savings to Medicare)
 - ▶ Payments from Conveners will be counted as savings under the Model, because they are paying for the costs for which they did not beat the 3% Discount
 - ▶ Either way, EQIP is beneficial to the State and CMS (Medicare), at the price of Medicare paying Conveners for savings in excess of the 3% discount

Discussion

- ▶ What is the future of ECIP?
- ▶ What should be the role of hospital systems in EQIP?
- ▶ Historically, doctors have felt excluded from the Maryland Model. However:
 - ▶ MDPCP has connected Primary Care Practitioners
 - ▶ EQIP is a (further) opportunity to connect specialists (beyond HCIP and ECIP), with real financial accountability on those specialists (although voluntary – and with Conveners truly bearing the risk)
 - ▶ How to encourage further specialist alignment with the Model through EQIP/ECIP and obtain 5% MACRA bonus (if that matters)?
- ▶ Strong feelings about particular trade-offs in ECIP vs. EQIP?
- ▶ Other comments, thoughts, questions?