NEW YORK STATE
DEPARTMENT *of*
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Shirin Emami
Acting Superintendent

February 5, 2016

[Name]
[Company]
[Address]

Re: SHIP Payer Information Request

Dear [Name]:

Thank you for your continued engagement in discussions regarding the Advanced Primary Care (APC) model in New York State. The Department of Financial Services (DFS) and Department of Health (DOH) are sending you the attached request for information to learn more about your outcome-based primary care initiatives, which will help us jointly refine and implement the APC model. We also include supplemental documents (listed below) that will provide details about the APC model to help you respond to the information request.

Advanced Primary Care is dependent upon the participation and investment of a wide range of stakeholders, including payers, providers and the State. A joint effort will be critical to the success of APC in meeting the goals of the Triple Aim: improving patient experience of care, improving the health of populations, and spending health care dollars wisely.

The information request (Attachment A) is a continuation of the ongoing dialogue between payers and the State. Responses to this request will serve as the foundation for further discussions among DFS, DOH, providers and payers about the refinement and implementation of the APC model and will be used to inform future thinking about how best to align the APC model with existing and proposed outcomes-based payment initiatives.

We have divided our questions into three sections:

- Current approaches to outcome-based payment: In this section, we seek to better understand the current outcome-based payment arrangements already implemented between payers and primary care practices. This information will be used by the State to begin the conversation determining which existing contracts may be "grandfathered" into APC for the purposes of practice activation during the program's roll-out. Please note a glossary is included at the end of Attachment A.
- Technical approach to APC implementation: In this section, we seek implementation details of APC and areas in which your plan deviates from the APC model.
- Operational approach to APC implementation: This section seeks a narrative description of how your plan envisions adopting APC among its NYS membership. This section is designed, in part, to identify key barriers early in the process, so that we can continue to find a way to work together in a successful rollout of APC.

From our prior conversations, we understand the need for greater concrete detail about specific components and requirements of the APC program. To address this, we include various supplemental documents intended to summarize the output of the year-long collaborative work on the APC program so that you can respond with greater confidence. These items include:

- Draft Business Requirements: A draft of the specific commitments that will be required from payers to participate in the APC program, including suggested criteria for inclusion in APC-qualified contracts with providers (Attachment B).
- APC Model Components: an in-depth description of the milestones and measures that make up the components of APC (Attachment C).
- The APC FAQ: Answers to frequently-asked questions about the APC program (Attachment D).
- Draft Payer Business Case: a draft outline of how the APC program will improve patient care and create value for both payers and providers (Attachment E)
- Map of DFS Rating Regions (Attachment F)

We will consider your responses to be non-binding but nevertheless reflecting a good-faith assessment of your company's current and planned participation in APC. In the coming months, we will together finalize the design and multi-payer implementation plan for APC.

Pursuant to Public Officers Law 89(5)(a), please identify the information in your response which, if disclosed, would cause substantial injury to the competitive position of

your company and for which an exception from disclosure under the Freedom of Information Law is requested.

Please return your responses to this request by Friday, March 4, 2016. Responses should be directed to Hope Plavin (hope.plavin@health.ny.gov) and formatted according to the instructions in Attachment A. We will schedule a question-and-answer session shortly to focus on any clarifications to the questions in the information request.

Sincerely,

John Powell
Acting Deputy Superintendent
For Health

cc:

Hope Plavin
Foster Gesten
Troy Oechsner
Stefanie Pawluk

Attachment A:

Request for Information

ATTACHMENT A – REQUEST FOR INFORMATION

Responses to questions should be labeled with the item number and the question and should be returned in the order shown. Most of the questions below require separate answers for each line of business, including commercial (both fully- and self-insured) and Medicare Advantage, but should not include Medicaid (both managed care and fee-for-service). Please include as applicable any special considerations made or potentially to be made for specific subpopulations, e.g., pediatrics.

A. Current approaches to outcome-based payment

In this section, we seek to better understand the current outcome-based payment arrangements already implemented between payers and primary care practices. This information will be used by the State to begin the conversation determining which existing contracts may be "grandfathered" into APC for the purposes of practice activation during the program's roll-out (see Attachment B, Draft Business Requirements, section A.9). Where possible, describe current approaches in terms of the four level framework of alternative payment models outlined by CMS (see Glossary).

Item	Question	Additional instructions
A.1	Do you currently use primary care payment models that support team based care? This support may include care coordination payments. If so, describe the mechanism used (e.g., a risk-adjusted PMPM payment)	If **YES**, please describe the model in detail and describe the mechanism used (e.g., a risk-adjusted PMPM payment and how that payment is calculated). A definition for team based care is found in part D: Glossary. Include answers to questions in the supplementary instructions below.
A.2	Do you currently provide practices and/or providers payment support for practice transformation?	If **YES**, please describe the model in detail, including the total amount of support provided to each practice and how this amount is calculated. A definition for practice transformation is found in part D: Glossary. Include answers to questions in the supplementary instructions below.
A.3	Do you currently use alternative or outcome-based payment, e.g., P4P, shared savings, shared risk, global payment/capitation?	If **YES**, please describe the model in detail, framing this description in the context of the CMS taxonomy of payment models (see Glossary). Include answers to questions in the supplementary instructions below.

A.4	Are payments premised on quality and utilization measures?	If **YES**, please describe the model in detail, including which measures are used, how they are calculated and how they are weighted. Include answers to questions in the supplementary instructions below.

For each response to questions A.1 to A.4, please include answers to the following questions, ordered and labeled by Item**. A separate response should be included for each line of business for which you currently have implemented any type of outcome-based payment system**.

Supplementary questions A.1-A.4	
Item	**Question**
a)	What percent of practices in your network use this model? Please also include the numerator and denominator.
b)	What percent of PCPs use this model?
c)	What percent of your members are impacted?
d)	What percent of spend is through this type of model?
e)	What percent of practices do you plan to have using this model within the coming five years?
f)	In which DFS Rating Regions are these practices located, and how many practices are located in each of those Rating Regions?

B. Technical approach to APC implementation

The following section describes implementation details of APC. For areas in which your plan must deviate from the APC model, tell us how it will deviate, describe your reasoning for the difference in model approach, and describe your proposal for an alternative multi-payer model consistent with that approach. Questions in **bold** denote essential components- others are for information only and may vary between payers. **Include separate answers for different lines of business as appropriate.**

1. Incorporation of Gates into payer-provider contracts

Item	**Question**	**Additional instructions**
B.1	**Will the practice assessment and auditing process described in Attachment B, part A ("Overview of Advanced Primary Care") be**	

	sufficient to trigger the payments to practices described in Attachment B, part C ("Minimum guidelines for APC-qualified contracts")? (y/n)	
B.2	**If not, what, if any, additions to the assessment and auditing process would be sufficient to trigger those payments?**	
B.3	**How will you approach Gate-dependent payments (as determined by the State) with respect to existing contracts?**	Please describe, if possible, potential amendments that could be made to existing contracts, or explain why existing contracts could not be amended to include Gate-dependent payments

2. Implementation of Gate 1

Item	Question	Additional instructions
B.4	**How will you disburse financial support to practices to offset the costs associated with practice transformation?**	Include in your response the answers to the following questions: ■ Will these payments be disbursed through a PMPM payment, a fee increase, or some other method? ■ What level of funding will be provided for care coordination? ■ How will this level be calculated? Frame your explanation if possible in terms of the total cost of care, and include any adjustments you would propose, e.g., for small vs. large practices. .
B.5	**If the amount of funding that you will disburse differs from the guidelines specified in Attachment B, part B ("Minimum guidelines for APC-qualified contracts"), please describe how it is different in level and/or approach and explain your rationale.**	

3. Implementation of Gate 2

Item	Question	Additional instructions
B.6	**How will you disburse financial support to practices to support care coordination?**	Include in your response the answers to the following questions: ■ Will these payments be disbursed through a PMPM payment, a fee increase, or some other method? ■ What level of funding will be provided for care coordination? ■ How will this level be calculated? Frame your explanation if possible in terms of the total cost of care, and include any adjustments you would propose, e.g., whether the payments would be risk-adjusted.
B.7	**If the amount of funding that you will disburse differs from the guidelines specified in Attachment B, part B ("Minimum guidelines for APC-qualified contracts"), please describe how it is different in level and/or approach and explain your rationale.**	
B.8	**What outcomes-based alternative payment options will you offer to practices that reach Gate 2?**	Please frame this answer in terms of the CMS taxonomy of payment models (see Glossary)
B.9	**If the payment options you will offer to Gate 2 practices differ from the guidelines specified in Attachment B, part B ("Minimum guidelines for APC-qualified contracts"), please describe how they differ and explain your rationale.**	

4. Implementation of Gate 3

Item	Question	Additional instructions
B.10	**Will your financial support to practices offsetting the costs of care coordination be different for practices that reach Gate 3?**	If **YES**, answer question B.11. If **NO**, continue to question B.12.
B.11	How will your support for care coordination differ between practices at Gate 2 and at Gate 3?	Please include, as necessary, how practices would transition between care coordination payment models, and an estimate of the percentage of the total cost of care that these payments would represent
B.12	**What outcomes-based alternative payment options will you offer to practices that reach Gate 3?**	
B.13	**If the payment options you will offer to Gate 3 practices are very different from the guidelines specified in Attachment B, part B, please describe how they are different in level and/or approach and explain your rationale.**	
B.14	What performance requirements will you impose in subsequent years for practices to continue receiving the outcomes-based and care coordination payments described above?	Include any high priority requirements that should be considered

5. Use of quality and utilization measures

Item	Question	Additional instructions
B.15	**How will you incorporate APC Core Measures for the purpose of determining outcomes-based payments and other incentives?**	Please see the full description of measures in Attachment C ("APC Model Components") and frame your answer in that context.
B.16	**How will you link measures to payment?**	Please divide by Gate as appropriate.
B.17	**How will you measure utilization?**	For example, total cost of care (TCOC), TCOC with exclusions, selected utilization measures like admissions and ER visits,

		etc.
B.18	What other measures will you include (in addition to or different from APC Core Measures) to determine outcomes-based payment (with associated weighting)?	
B.19	How will measures be weighted to determine outcomes-based payments and other incentives?	

6. Other considerations

Item	Question	Additional instructions
B.20	What is your current methodology by which patients are attributed to providers?	For example, are patients assigned to PCPs or determined by some algorithm according to recent visits? What is the nature of that algorithm?
B.21	What is the current risk adjustment methodology?	E.g., what risk adjustment tools are currently in use and what information is taken into account? Based on this methodology and your observed variations in practice risk profiles, estimate what the lowest and highest per-practice practice transformation and care coordination payments would be
B.22	What types of in-kind support, if any, will you provide for practices participating in APC?	Include separate responses for (1) data and analytics, reports; (2) subject matter expertise; (3) patient-specific care management / coordination; (4) software / platforms meant to be incorporated in to workflows; (5) other
B.23	How will your proposed APC contracts differ from your existing alternative/outcome-based payment contracts described in part A of this attachment ("Current approaches to outcome-based	Please include a description of potential reasons why a primary care practice would

	payment")?	choose one of your existing contracts over your proposed APC contract.

C. Operational approach to APC implementation

Please provide a narrative description of how your plan envisions adopting APC among its NYS membership. This section is designed, in part, to identify key barriers early in the process, so that we can continue to find a way to work together in a successful rollout of APC. In your response, please specify:

Item #	Question	Additional instructions
C.1	**What is the earliest effective date for your APC-qualified contracts?**	Assuming that the State is able to identify "activated" practices eligible for practice transformation or care coordination payments in Q1 2017, outline your timeline for APC implementation, including when practices will have an option to be contracted under an APC-qualified contract and when you would be able to initiate those payments
C.2	How will contracting and budget cycles, as well as other issues, impact timelines?	
C.3	Who are the key contacts in your organization for ■ Outcome-based payment ■ Informatics / measurement ■ Contracting / markets / network	Please include contact information for each. Include separate contacts for different lines of business if applicable.
C.4	What ACOs are you affiliated with and, for each, do you expect those involvements to create operational challenges in APC implementation?	
C.5	What operational challenges do you anticipate with introducing the APC model into your ASO lines of business and how will you address them?	

D. Glossary

Term	Definition
Care coordination	Deliberately organizing patient care activities and sharing information among all of the participants concerned with a patient's care to achieve safer and more effective care. This means that the patient's needs and preferences are known ahead of time and communicated at the right time to the right people, and that this information is used to provide safe, appropriate, and effective care to the patient.
CMS payment framework	CMS developed a framework for categorizing alternative payment models to provide a common vocabulary to measure progress as they were implemented throughout the US healthcare system. Detailed in "Alternative Payment Model (APM) Framework: Draft White Paper" from the Health Care Payment Learning & Action Network, the different levels are briefly summarized below: 1. **Category 1: Fee-for-service—no link to quality:** payments are based on volume of service and not linked to quality or efficiency. 2. **Category 2: Fee-for-service—link to quality:** at least a portion of payments vary based on the quality or efficiency of health care delivery. 3. **Category 3: APMs built on fee-for-service architecture:** some payment is linked to the effective management of a segment of the population or an episode of care. Payments still triggered by delivery of services, but opportunities for shared savings or 2-sided risk (note that the APC model specifies only upside risk at Gates 2 and 3). 4. **Category 4: Population-based payment:** payment is not directly triggered by service delivery so volume is not linked to payment. Clinicians and organizations are paid and responsible for the care of a beneficiary for a long period (e.g. >1 year).
Practice transformation	The process by which practices transform their operating models to pass through APC gates and meet the goals of the program. APC-participating practices will be supported in this by TA Entities funded by the State
Team-based care	Care revolving around a delivery team inclusive of physicians, care providers, care managers and others as needed