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Update:
Payer Alignment Workgroup

Nicki McCann, MMAC Chair
Tricia Roddy, Deputy Medicaid Director
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Agenda

1. Workgroup Members
2. Timeline and Guiding Principles
3. Review of Comments Received
4. Discussion
5. Next Steps

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Workgroup Members

- Tricia Roddy: Medicaid
- Kathlyn Wee: UnitedHealthcare
- Kathleen Loughran: Wellpoint
- Arin Foreman: CareFirst
- Matt Celentano: League of Life and Health Insurers
- Nicki McCann: Johns Hopkins/MMAC Chair
- Allan Pack: HSCRC
- Laura Spicer: The Hilltop Institute

Staff - Medicaid Office of Innovation, Research and Development

- Laura Goodman
- Sharon Neely
- Ryan Burdick

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Progression Plan Development Timeline

Guiding Principles for TCOC Progression

1. The Progression Plan should further the goals of the Maryland Health Model to lead the nation in health equity, quality, access, cost of care and consumer experience through aligned incentives and value-based payment methodologies across providers and payers.
2. The Progression Plan should include high-level recommendations that are feasible to implement and build upon existing initiatives and programs, where possible.
3. The Progression Plan should utilize State flexibility in order to tailor delivery system and payment reform efforts unique to Maryland.
4. The Progression Plan recommendations should adhere to the all-payer nature of the system to align quality and cost incentives across payers.
5. The Progression Plan recommendations should be established through a collaborative public process.

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Guiding Principles for Payer Alignment

- Workgroup goals:
  - Define what brings value to payers under the Total Cost of Care Model
  - Identify suite of ideas or initiatives to focus on
- Comments Received Focused within Four Major Categories:
  - Improving Outcomes
  - Understanding and Creating Cost Savings
  - Reevaluating Financial Mechanisms
  - Measuring and Communicating Impact

Improving Outcomes

- Clear commitments to improvements in health outcomes, with the goal of proving the efficacy of the model
- Alignment on bundles and quality
- Creating a standard of access that must be maintained based on measurement of supply/demand for services

Understanding and Creating Cost Savings

- Getting clarity on savings drivers
- Measuring how much more federal money Medicaid brings into the State
- Incentivizing appropriate utilization decline
- Holding hospitals to a MLR equivalent

Reevaluating Financial Mechanisms

- Moving rate-regulated money to unregulated space
- Analyze retained revenue and operating margins by hospital
- Remove the Medicare Performance Adjustment (all-payer)
- Consider the impact of rebasing
- Analyze the update factor on variable cost

Measuring and Communicating Impact

- For payers – education on the model itself and impact on payers

- For consumers and businesses – analysis of whether savings from the model are passed down to consumers and employers

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Next Steps and Upcoming Meetings

- April 3, 2023: 12:00-1:00: Review first draft of recommendation and invite public comment
- May 1, 2023: 12:00-1:00: Review final draft

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