

CENTER FOR IMPROVING VALUE IN HEALTH CARE CO APCD Advisory Committee Meeting Notes – 11.12.2019

Committee Attendees In Person: Michelle Anderson, Director of Pharmacy Services Managed Care, Denver Health Medical Plan, Inc.; Senator Joann Ginal; David Keller, Professor and First Vice Chair, University of Colorado School of Medicine and Children's Hospital of Colorado; Tom Rennell, SR VP of Financial Policy and Data Analytics, Colorado Hospital Association; Miranda Ross, Interim Senior Actuarial Director & CO Actuarial Lead, Kaiser Permanente; Chris Underwood, Director, Health Information Office, HCPF; Caitlin Westerson, Policy Director, Colorado Consumer Health Initiative; Nathan Wilkes, Owner/Principal, Headstorms Inc.

Committee Attendees Remote Via Webinar: Rick Doucet, CEO, Community Reach Center; David Ehrenberger, CMO, HealthTeamWorks; Jon Gottsegen, Chief Data Officer, Governor's Office of Information Technology; Todd Lessley, VP for Population Health, Salud Family Health Centers; Jessica Linart, Director of Insurance, Colorado PERA; Phillip Lyons, Director of Regulatory Affairs, United Healthcare; David Ornelas, VP, Colorado Ambulatory Surgery Center Association; Bethany Pray, Healthcare Attorney, Colorado Center on Law and Policy; Kelly Schultz, Senior Market Analyst, Colorado Division of Insurance

Additional Remote Attendees: Kristi Gjellum, IMA; Douglas McCarthy, Issues Research; Senator James Smallwood; Wes Skiles, Michael Best Strategies

CIVHC Attendees: Vinita Bahl, VP of Data and Analytic Operations; David Dale, Health Data Consultant; Kari Degerness, Director of Health Care Programs; Ana English, President and CEO; Cari Frank, VP Communication and Marketing; Peter Sheehan, VP of Client Solutions and State Initiatives; Stephanie Spriggs, Communication Program Manager

Please refer to the presentation and materials for further information.

Operational Updates

- CO APCD Funding Sources
 - State Related
 - CMS 50/50 CAP outstanding questions; funding risks
 - State General Fund Approved GF \$3.5M (~\$2.6M new)
 - State Medicaid Analytics Contract Recurring Contract
 - SIM/TCPI Finalization of Contracts
 - Non-State Related
 - Non-State CO APCD Data Requestors Multi-Stakeholder
 - Grant Related CO APCD Contracts AHRQ Research Grant
- CMS 50/50 Contract Update
 - Methodology calculation discussions are still underway with the Region 8 CMS office and, based on the outcome, could result in CIVHC having to pay up to \$1M in clawbacks going back to FY18.
 - We continue to seek additional avenues of sustainability through grants and non-public releases of data.
 - Are currently partnering with Academy Health and the Robert Wood Johnson Foundation to develop a pregram to help research the particle academy health data.
 - develop a program to help researchers across the nation access health data.
- CO APCD Data Brief
 - New bi-weekly publication designed to improve transparency regarding CIVHC processes, CO APCD data, and progress on development of new data and analytics, to improve trust and communication with all stakeholders.
 - Goes to specific stakeholder groups, though anyone is welcome to join the list and CIVHC has promoted broadly in our email newsletter
 - State Agencies HCPF, DOI, HHS, CBHC, OeHI, CDPHE,
 - Governor's Office
 - Data Release Review Committee (DRRC)
 - CO APCD Advisory Committee (CAAC)
 - CIVHC Board
 - CIVHC Staff
 - Employer Community/Alliances
 - Health Committee Legislators
 - Data Users Group / Current & Past Users as appropriate
 - Please pass on to anyone who may be interested.

- Any feedback on the issues that have been sent to date?
 - More interactive content "above the fold" of the Brief would be great it takes a long time to scroll through to find something to click on.
 - Adding a summary of topics at the top of the Brief would be helpful so readers would know the topics it contains.
 - Graphics above the fold as well would be eye-catching and dynamic. It currently has a lot of text, so something to break that up.
 - It was nice to have the links to the Data User Group and CO APCD Advisory Committee meetings that I could forward to colleagues.

CO APCD Scholarship Subcommittee

- Year to Date Status (please see the presentation to see the projects funded)
 - To date, 13 projects totaling \$275,056, 55% of the \$500,000 total available, have been approved through the application review process.
 - Leaving \$224,944 or 45% available.
 - Four other projects totaling \$96,230 are in either the review process or being queued for review. If these applications are approved:
 - \$128,715 or 26% would be available through the rest of the fiscal year.
 - One project has not been approved, primarily due to a narrow scope and whether it merited use of public funds.
 - At the August meeting, the Committee adopted a \$50,000 cap on scholarship funds for individual projects, so there are no projects in the list with costs exceeding that number.
 - Approximately five or six of the listed data requests have been filled to date.
 - Some include new analytics that have to be completed with vendors prior to being delivered.
 - Application Reconsideration Process (please see CO APCD Scholarship Appeals Process handout and presentation for more detail)
 - We wanted to discuss a potential process should there come a time when a previously denied application may be reconsidered for a CO APCD Scholarship prior to the end of the same fiscal year.
 - Funding must still be available that year.
 - A revised application must be submitted.
 - Determination of whether applications could be resubmitted would happen in February.
 - The CO APCD Scholarship Appeals Process handout contains proposed criteria for applications who may apply for reconsideration.
 - Committee Discussion
 - The reasons for denial seem to fall into two buckets, funding/similar projects already funded and application/methodological issues. Maybe we should restructure the criteria so that if it is an application/methodological issue, they can appeal right away.
 - This is a good idea; we would not want to hold back somebody from restructuring or revising their application.
 - Then, should there still be dollars in the fund, we can put out a call for those who had other challenges like additional support or similar projects to reapply in February.
 - Criteria amended to If the reasons for denial is due to methodology or the application, the appeal can happen anytime. If the denial is for other reasons, we will issue a call in February for resubmissions, providing there are still dollars available.
 - It is very rare that a project is denied due to the application. The CIVHC staff works hard to get the applications into to compliance before it reaches the Subcommittee.
 - The legislators do have access to the Scholarship though CIVHC has been meeting with the members of Health Committees prior to the session beginning in order to be proactive regarding data requests. This has helped relieve the strain on the Scholarship and the staff.
 - Status of Projects
 - CIVHC provides quarterly updates to HCPF on status of projects that used the Scholarship and maintain a list of publications of requestors' research.
 - A poster session of Scholarship recipients at a state event would be a great way to highlight the projects and improve interaction between those that have used the resource.
 - Could also highlight recipients in the CO APCD Data Brief and CIVHC newsletter.

Regulatory and Legislative Updates

- APM/Drug Rebate Analysis Timelines
 - Receipt of Data (APM/Rebate) from Submitters:
 - Historical files 2016-2018 due September 30, 2019
 - Status of File Submissions
 - APM: files from all 20 submitters received
 - Drug Rebate: files from 29 submitters received; 5 not received
 - Validation and Analysis Timeline
 - Validation and resolution of questions, October 31
 - Primary care spending report, November 15
 - Summary reports and analysis, December 31
 - o Discussion
 - What qualifies for a waiver?
 - Example- a payer who only collects fee-for-service, they wouldn't collect APMs.
 - Has been a learning process not only for CIVHC but for the submitters as we all learn how to collect and submit the files.
 - We're confident that we have all of the APM submitter and most of the Drug Rebate files though there is work to be done regarding the quality and validity of the data.
 - Executive Director Bimestefer can fine the submitters should they not comply with the submission requirements but we are currently working with them individually to identify and solve submission concerns. There are a couple that are non-responsive and they have already been sent notices regarding non-compliance.
 - We have asked the payers if they feel they are reporting the full amount the pharmacy benefit manager is receiving from the manufacturer and many of them have reported that they are.
 - We did add a requirement that the CEO or CFO of the payer organizations attest to the quality and validity of the APM and drug rebate data they submitted.
 - These rebates are from the drug manufacturer. Any rebates given by societies are not captured.
 - One of the metrics used across the country was the percentage of payments made through APMs by category; we will be able to look at this for primary care in a much more granular way.

• Proposed Regulatory Changes

- Recommended DSG Changes (DSG vII) for public stakeholder hearing week of October 21, ED rule hearing November 22 with implementation in spring 2020. Goals of DSG recommended changes:
 - Improve quality of submitted data
 - Improve completeness of data
 - Move towards adoption of national standards and to be more consistent with APCD Council Common Data Layout
- Propose changes to the Alternative Payment Model / Drug Rebate File Submissions for rule hearing in early 2020 with Implementation Mid-2020
 - Changes to APM and drug rebate file submissions will not be proposed until after recommendations for DSG vII are presented to payers.
 - These changes will include applying lessons learned over the past months to the DSG to tighten up the submissions as well as aligning the definition of primary care in the DSG with that of the Primary Care and Payment Reform Collaborative.

CO APCD Data to Support Legislation

• Out-of-Network Billing

- Addresses payment for
 - Services of out-of-network providers in in-network facilities
 - Emergency services at an out-of-network facility
- Payment based on greater of carrier-specific rate or CO APCD 60th or 50th percentile allowed amount
- Methodological Challenges
 - Insufficient volume of services
 - Professional anesthesia services insufficient volume, inconsistent definition of time unit values, invalid data
 - Emergency services bundled payments; defined differently by payer

- We have been working with other states who have implemented Out of Network legislation as well as local stakeholder groups – the Colorado Association of Health Plans, Colorado Division of Insurance, the Colorado Hospital Association, the Colorado Medical Society, and Colorado Anesthesiology Society. We want to understand challenges the groups face, walk the middle line, and be as transparent as possible regarding our methodology.
 - Anesthesia payments seem go into their own category, payers pay for it in many different ways and the team has been working to come up with solutions to develop ways to work with the myriad methodologies.

• Primary Care and Payment Reform Collaborative Report

- The goal of the report is to calculate the primary care spending as a percentage of total medical spending. (see presentation for equation using claims and non-claims based payments)
 - The methodologic challenges of this report are setting a new standard for this kind of calculation around the country. This has been done in other states but not to the degree of sophistication that CIVHC has managed.
- Submitted preliminary report in August that included fee-for-service payments but not most non-claims based payments (including APMs).
- New report scheduled for development that will include APM submissions.

Analytics and Reporting Updates

Low Value Care

- CIVHC, with sponsorship from HCPF, engaged Milliman to apply their MedInsight software to CO APCD to measure use and cost of 48 low value services.
 - Submitted draft report to HCPF summarizing findings from analysis of results from 2015-2017; included discussion of potential improvement interventions
 - Thirteen services accounted for 81% of spending for low value care
 - Investigation of measurement details uncovered unexpected results raising questions about the validity of a portion of services classified as low value
 - These findings were validated by Milliman and in some cases, by other states using the tool.

o Discussion

- Regarding the term "low value care"
 - There are circumstances as what would be counted as "low value" care is actually appropriate. Example: use of CT scans for children with abdominal pain prior to appendectomy, most of the time the CT doesn't add information. There has been a push to limit the number of scans done that has been successful, though we've learned that the right number of scans isn't zero it's closer to 10%. "Low value" care implies that the number should be zero.
 - The Milliman tool is called the Waste Calculator, which is inappropriate.
 - Also, when the lay public hear the term "low value" they think, "oh, I shouldn't pay for anything that is low value." Well, actually sometimes they are going to pay for something that is classified low value.
 - We need to make clear to people that the goal is not to drive it to zero and use balancing measures.
 - MIlliman tried to eliminate patients where the care is appropriate, though no measure is ever going to be perfect.
 - Milliman used Choosing Wisely guidelines to develop methodology that could be used with claims data there are over 800 guidelines and 48 measures.
- Next steps summarize results by provider.
 - What will be done with these summaries?
 - To be determined. Because the providers write the orders, we'd like to engage them to contribute to the solution. So, we will try to organize the data so that that providers can use it directly to understand their results.
 - We really want to engage all of the stakeholders to address the challenge and we are currently evaluating the most meaningful ways to provide the data. We are not sure at what level the data will be publicly reported yet.

- The other way to cast this is to reinforce high-value care than to stop low-value care.
- The Choosing Wisely measures are constantly evolving.

• Prometheus /Episodes of Care

- New vendor, Payformance, is developing episodes of care with an estimated completion date of November 15.
 - Next steps include:
 - Compare Payformance Medicaid episodes to those generated by HCPF
 - Evaluate completeness of the procedure episodes, i.e., the percentage of each type of procedure that was included in a Prometheus episode
 - Assess validity of procedure episode PACs, based on an evaluation of triggering diagnoses
 - With the work being done by the new vendor the completeness of the episodes is currently 96% compared to the 50% with the previous vendor.

• CO APCD Reporting

- <u>Medicare Reference-based Pricing Report</u> (please refer to presentation for details)
 - There appears to be no correlation between rural and resort counties and payments.
 - This data is based on the RAND study and CIVHC is working to fill gaps.
 - We anticipate an updated version of the report later in 2020.
- Sample Employer Reference-Based Price Report (please refer to presentation for mock up)
 - Employer groups across the state are very interested in this information and we can provide it to them at the employer, statewide, county and DOI region level.
 - There is a challenge with volume of claims so sometimes we have to roll the data up by years or geographic area in order to report.
 - The CMS standard cell size is 11 claims and there has to be more than 10 employees/members. This includes fully insured.
- o ED Severity Level Data Byte Published
 - Well received, featured in Modern Healthcare and in Kaiser Health News among other media outlets.
- Blinded Data Byte Process
 - We propose to keep data byte requestors anonymous unless the person is willing to have their name shared and there is a request to do so made by a member of the CAAC. We will say what kind of an organization it is, or if it is a reporter or a recorder legislator. However, we will ask for permission to share their name as there is potential for some conflict of interest. We want to make sure if it's a good piece of data to get out there without political concerns.
 - Committee agrees to the policy.
- Upcoming Data Bytes
 - <u>ER/Mental Health Utilization</u> (media request) November
 - Recently sent, awaiting feedback.
 - Low birthweight and Premature Births (leg. Request)
 - Hasn't been sent yet
 - Pending review Adverse Reactions to Vaccinations
 - Coming soon, hasn't been sent to the Committee
- New CO APCD Annual Report Process
 - FY 19 CO APCD Annual Report to the General Assembly only will cover items required by statute
 - The uses of the data in the all-payer health claims database;
 - Public studies produced by the administrator;
 - The cost of administering the Colorado all-payer health claims database, the sources of the funding, and the total revenue taken in by the database;
 - The recipients of the data, the purposes for the data requests, and whether a fee was charged for the data;
 - A fee schedule displaying the fees for providing custom data reports from the Colorado all-payer health claims database.
 - Committee review via email in December, CIVHC will submit early January

- Plan for new "State of the State" report using CO APCD data later in 2020. Will incorporate the reports that CIVHC is producing in the coming year – Prometheus, Low Value Care, Primary Care, Out of Network Care, Scholarship, etc.
 - Possible Committee help to develop.
 - The Governor's Office will also likely want to be a part of the report as well.

2020 Meetings - February II, May I2, August II, November 10