



ACOREACH

Program Model

and

Strategy for

Success

Agenda

- ❖ ACO REACH and CMMI Strategy
- ❖ Program Structure
- ❖ REACH through FQHC's Lens
- ❖ Risk-Based Opportunities
- ❖ Strategy for Success



REACH –



**NORTH EAST
MEDICAL SERVICES**
東北醫療中心
a california *health+* center

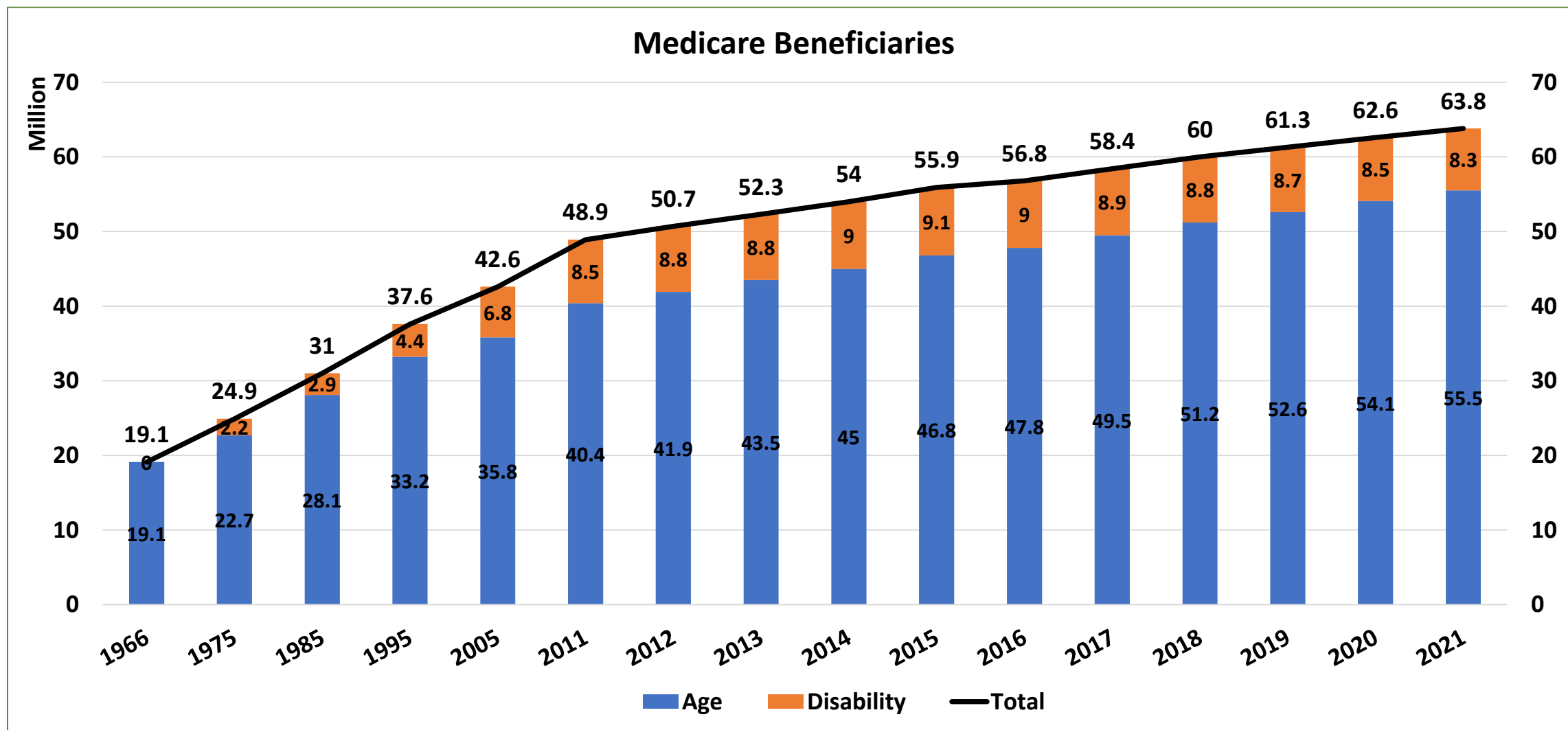
Realizing Equity, Access, and Community

Health

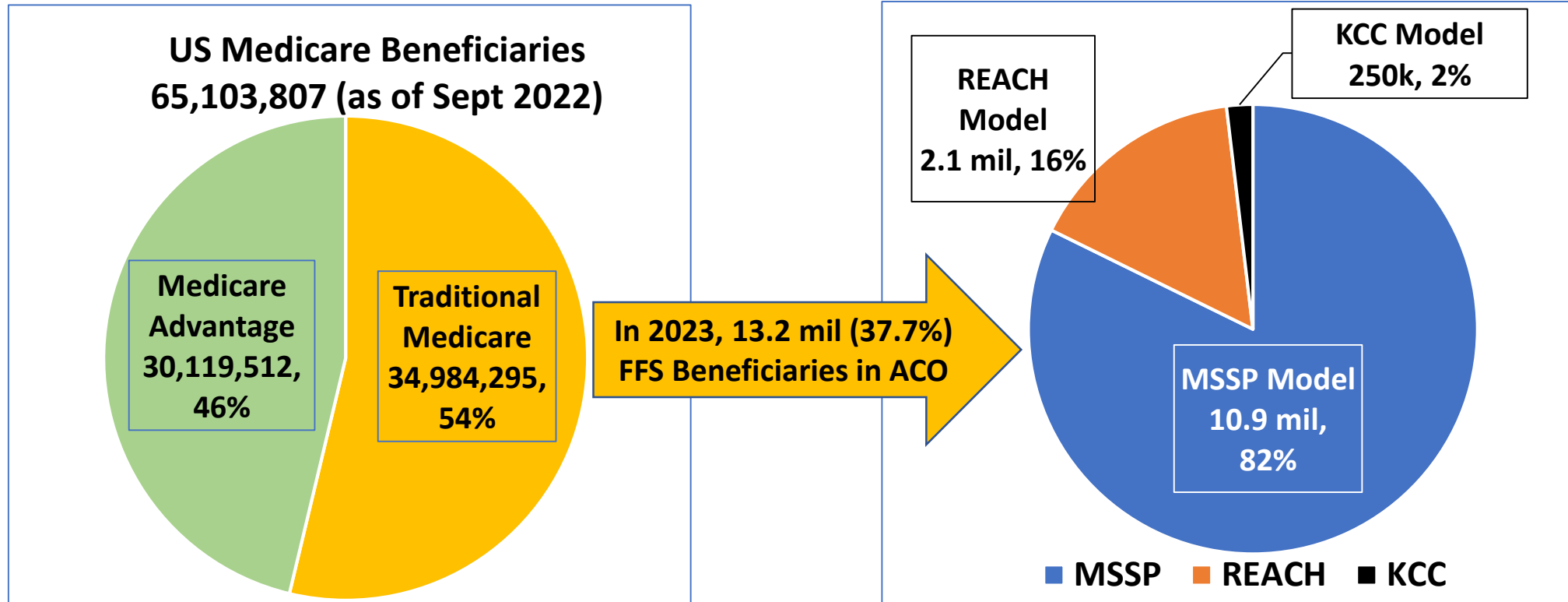
- **A new ACO model** introduced by the Biden-Harris Administration:
 - ✓ Extend into **underserved communities**;
 - ✓ A redesigned model focus on CMS commitments to:
 - Focus on **Health Equity** (additional PBPM)
 - Promote **healthcare provider leadership** in model decisions
 - Improve quality of care through better **Care Coordination**
 - Enhance **Patient Experience** (CAHPS)
 - Reduce Total Cost of Care
- **“Hybrid Model”** -- Medicare FFS and MA.
- **CMS encourages FQHC participation.**



Medicare Program Enrollment 1966 - 2021



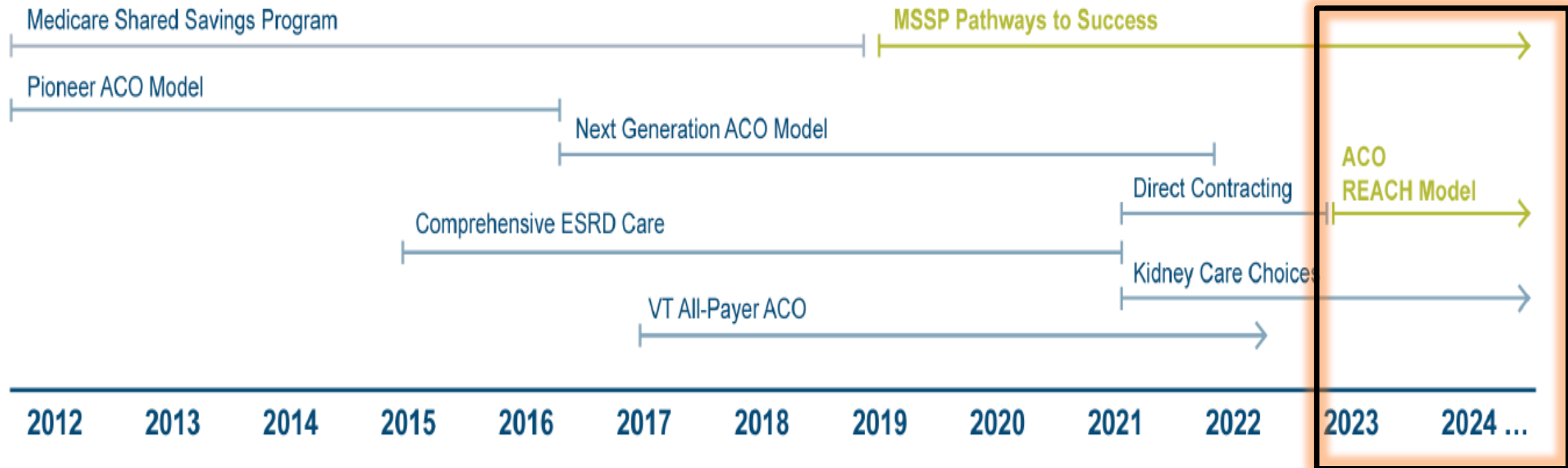
Medicare Beneficiary Enrollment 2022-2023



Per CMS, ACO Saved Medicare and US Taxpayers \$1.66 billion in Performance Year 2021.

Jan. 17, 2023, CMS Announced Three Innovative Initiatives Will Help CMS Achieve **Goal of 100% of Traditional Medicare Beneficiaries in Accountable Care Relationships by 2030**: The MSSP Model, the REACH Model, and the KCC Model.

Accountable Care Organization Models

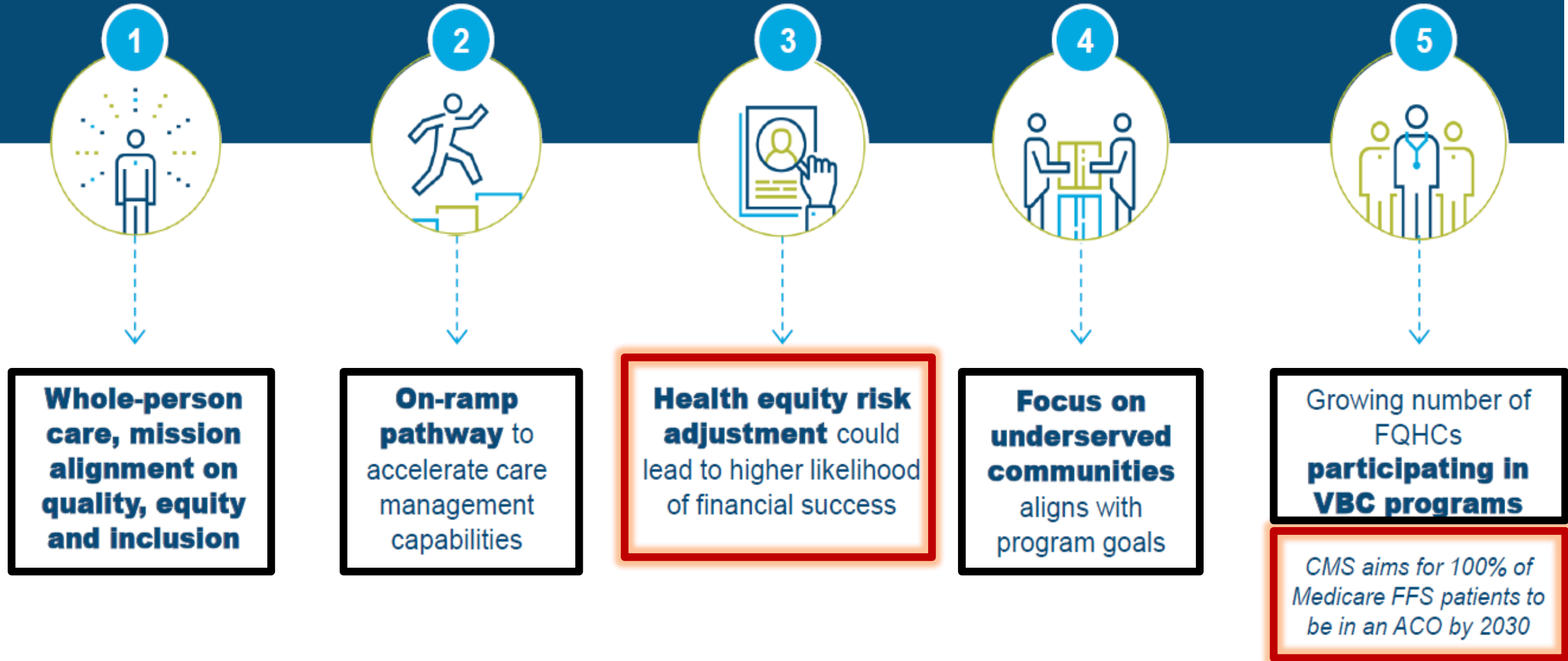


ACO REACH is CMMI's long-term strategy for Medicare VBC. It is currently the only program that takes safety-net providers into consideration with the program design.



The ACO REACH model provides an opportunity to develop your Medicare VBC strategy before mandatory participation

FQHC's are in a prime position to participate

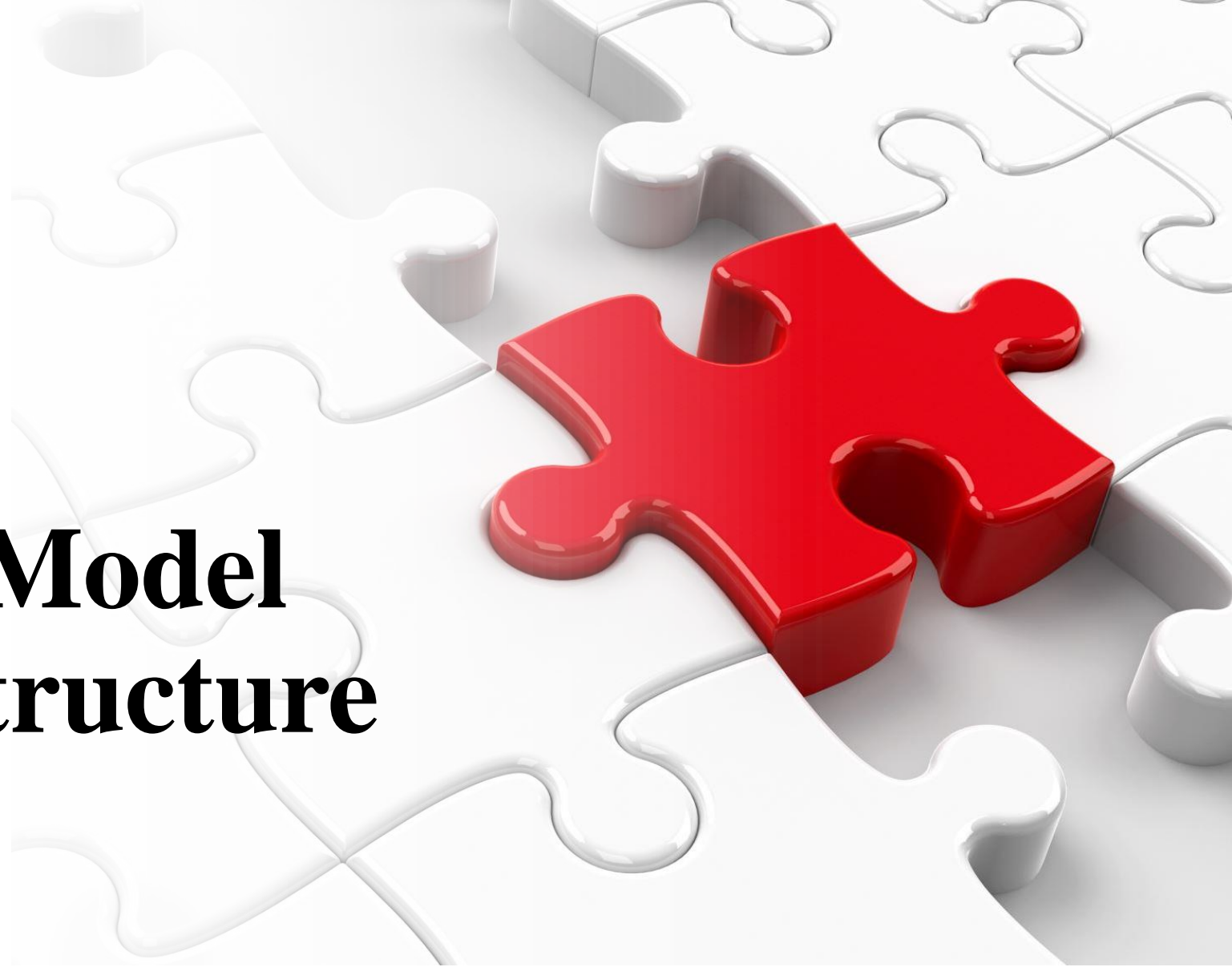


CMMI Strategy Refresh | Vision & Strategic Objectives

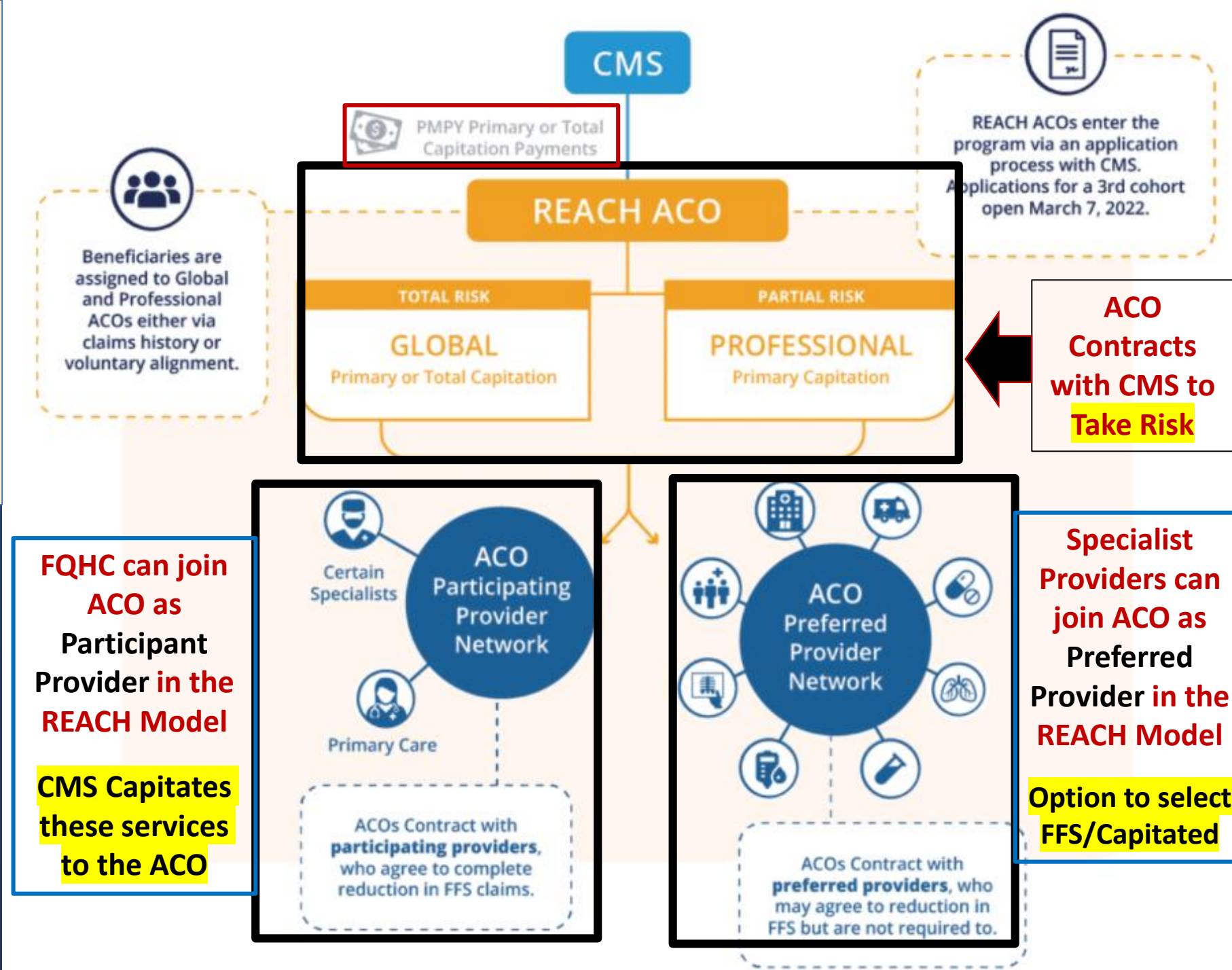


REACH is an ACO model redesign, fits FQHC & CHC operational structure to attract VBC participation, and possible future APM prep.

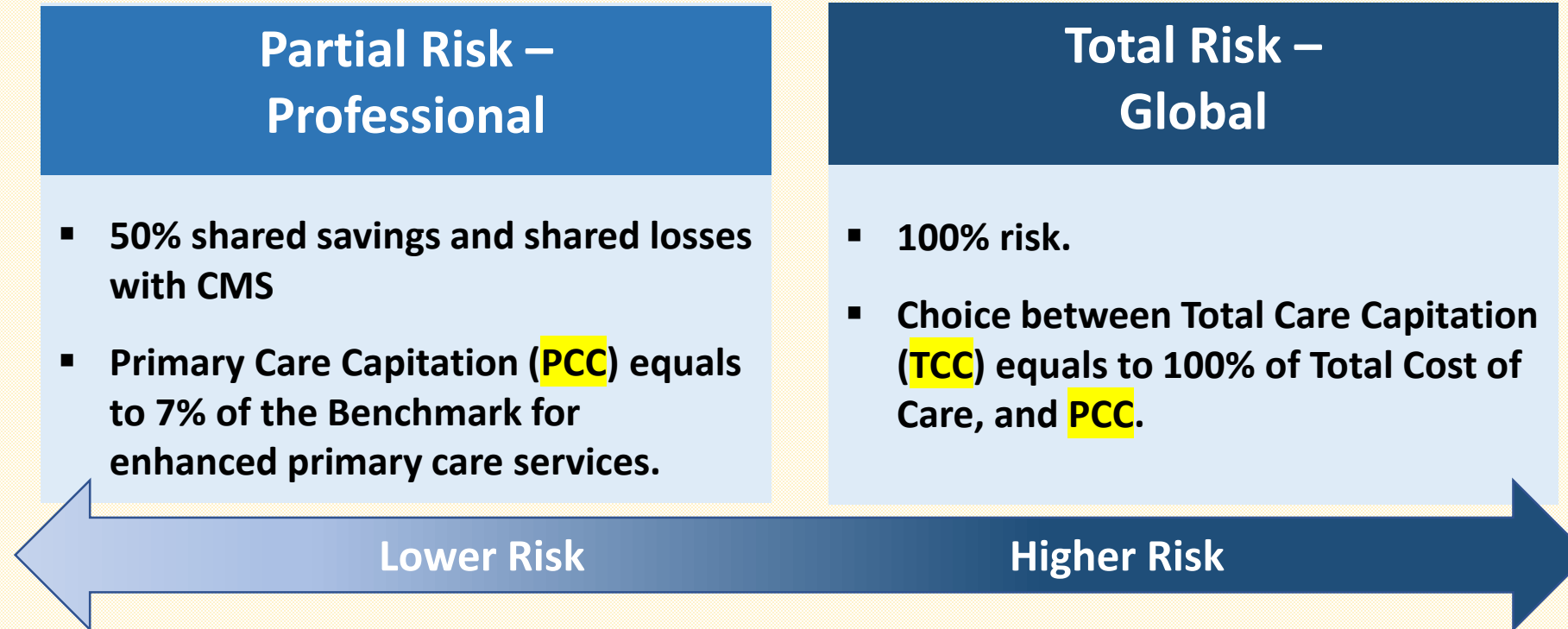
REACH Model Program Structure



REACH ACO Direct Contract Model



Risk and Capitation Payment



REACH Model offers ACOs mechanisms to receive stable monthly payments	Capitation Payment	Advanced Payment
	<ul style="list-style-type: none"> REACH ACO receives a Capitation Payment covering total cost of primary care services. Mandatory; Not Reconciled against actual claims expenditures. 	<ul style="list-style-type: none"> REACH ACO may receive an advanced payment of their FFS non-primary care claims. Voluntary; Reconciled against actual claims expenditures.

Performance Benchmark – Regional Rate



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**Base Capitation
Rate
For Bearing Risk**

- This is the ACO REACH/KCC Rate Book for PY2023 of the ACO REACH and KCC models.
<https://innovation.cms.gov/innovation-models/aco-reach>
- These county rates will apply to the Aged & Disabled benchmark for Standard ACOs, New Entrant ACOs, & KCEs.
- The Average 2021 PBPM Benchmark = \$1,160

State	FIPS County Code	County Name	AD County Rate
AZ	04017	NAVAJO	\$ 1,150.38
AZ	04021	PINAL	\$ 1,114.02
AZ	04009	GRAHAM	\$ 1,039.41
CA	06075	SAN FRANCISCO	\$ 1,195.02
CA	06111	VENTURA	\$ 1,334.43
CA	06023	HUMBOLDT	\$ 1,025.16
CO	08103	RIO BLANCO	\$ 1,992.14
CO	08009	BACA	\$ 1,393.06
CO	08011	BENT	\$ 1,054.08
HI	15001	HAWAII	\$ 1,000.23
HI	15007	KAUAI	\$ 1,048.41
HI	15009	MAUI	\$ 1,046.46
MA	25025	SUFFOLK	\$ 1,198.11
MA	25007	DUKES	\$ 1,488.56
MA	25009	ESSEX	\$ 1,173.90
NM	35045	SAN JUAN	\$ 1,085.09
NM	35051	SIERRA	\$ 1,088.61
NM	35059	UNION	\$ 1,333.72
WA	53043	LINCOLN	\$ 1,435.09
WA	53023	GARFIELD	\$ 1,416.41
WA	53025	GRANT	\$ 1,067.70

Health Equity Benchmark Adjustment – up to **Additional \$30/PBPM**

CMS will stratify all beneficiaries aligned to ACO REACH using a composite measure of underservice that incorporates a combination of¹:

Area Deprivation Index

Area-level measure of local socioeconomic factors correlated with medical disparities and underservice

Percentile Score from 1-100

Dual Medicaid Status

Beneficiary-level measure of economic challenges affecting individuals' ability to access high quality care

+ 25 Point Adjustment for Full or Partial Dual Eligibility

**91st – 100th Percentile
(Top Decile)**

**+\$30 PBPM
Adjustment**

**51st – 90th Percentile
(Middle 4 Deciles)**

No Adjustment

**1st – 50th Percentile
(Bottom 5 Deciles)**

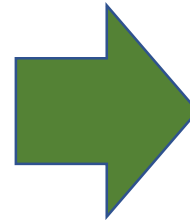
-\$6 PBPM Adjustment

(Additional Capitation to ACO for Taking Care the Underserved Population)



Global Discount and Quality Withhold

Performance Year	Global Discount	Quality Withhold
2023	3% of Total Capitation	2% of Total Capitation
2024		
2025	3.5% of Total Capitation	
2026		



Claims-based Quality Measures:

- 1) All-Condition Readmission
- 2) Unplanned Admissions for Patients with Multiple Chronic Conditions
- 3) Timely Follow-Up After Acute Exacerbation of Chronic Conditions

Survey-based Quality Measure:

- 4) CAHPS

Pay For Reporting Measure:

- 5) HEDR (Health Equity Data Reporting)

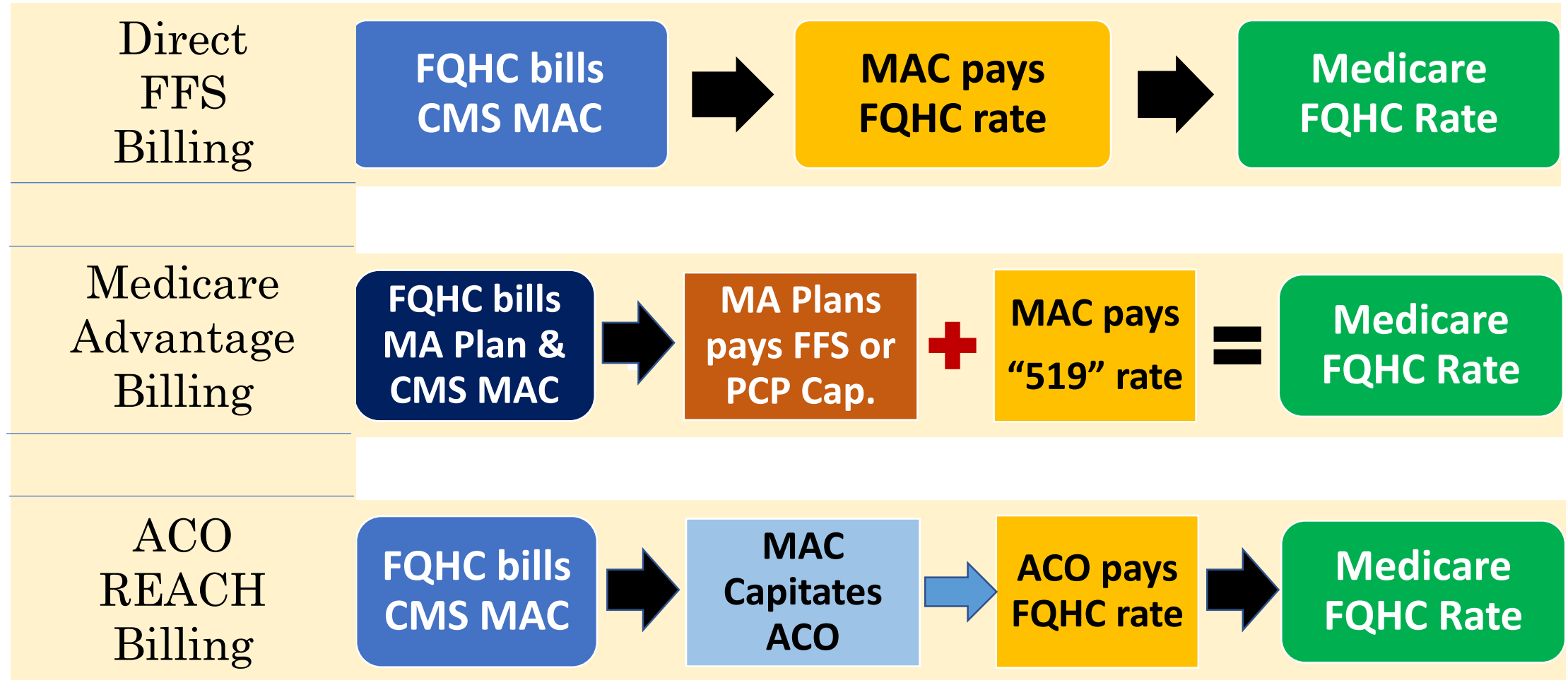
(Incentives to promote Care Management, Clinical Quality, and Data Reporting)

ACO Through the Lens of FQHC



• **FINANCE**

FQHC Billing – FFS vs. MA vs. REACH



How REACH Payment Flows?

“Revenue”

CMS Calculates a Total “capitation” =
Benchmark x Total # of Beneficiaries

“Medical
Expenses”

CMS pays Capitation
to ACO for
Participant Provider
Services (Primary
Care Services)



ACO Pays FQHC
based on PPS rate

of Enc. x PPS

CMS pays FFS
to All other Providers
for Part A & Part B
Services Rendered to
Beneficiaries

3 Months IBNR

“Net”

ACO Savings / Losses



SAVINGS



Let's plug in some numbers

"Revenue"

$\$1,000/\text{PBPM} \times 5,000 \text{ Beneficiaries} =$
 $\$5,000,000 \times 12 \text{ months} = \$60,000,000/\text{year}$

"Medical Expenses"

\$5.4 mil/year
(\$450k/month) as
Participant Provider
Capitation to
enhance primary care



ACO Pays FQHC
based on PPS or
Equivalent
Capitation rates

\$28 mil Part A
Payment

\$21 mil Part B
Payment

Total \$49 mil

\$5.6 mil
3 Months Claims

"Net"

\$0 Saving/Loss

**Care Coordination
&
Case Management**



Care Management Benefits FQHC and ACO

Care Management Services:

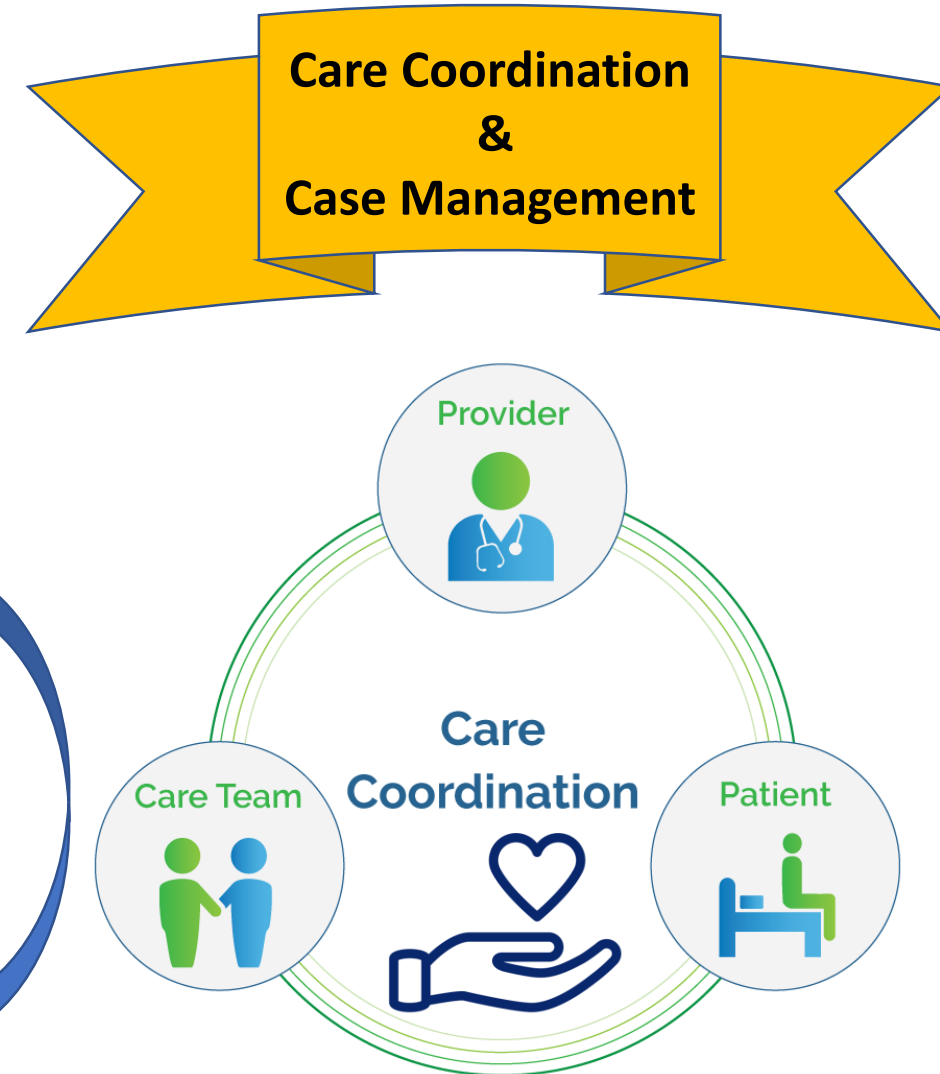
- ✓ Coordinate better care for FQHC and specialists.
- ✓ Reduce provider orders of unnecessary testing and items.
- ✓ Improve timely follow up after ED discharge.
- ✓ Care transition post-hospital discharge.

ACO Pays FQHC
based on PPS or
Equivalent
Capitation rates

\$28 mil Part A
Payment
\$21 mil Part B
Payment
Total \$49 mil

“Net”

\$\$ Savings



ACO + FQHC =



**FQHC:
PPS Plus!**

- ⑩ Same Billing workflow and payment rate as FFS.
- ⑩ Opportunity to partner with ACO to enhance Care Coordination program to earn incentives and savings.

**ACO:
Savings!**

- ⑩ Partners with FQHCs to promote primary care.
- ⑩ Works hand in hand with FQHCs to implement or to improve CM program workflow to achieve savings.



ACO + FQHC partnership
promote better patient care.
FQHCs know their patients
Better!





Strategy for Success



NEMS Managed Care Risk Journey



Today, 7 Risk Contracts:

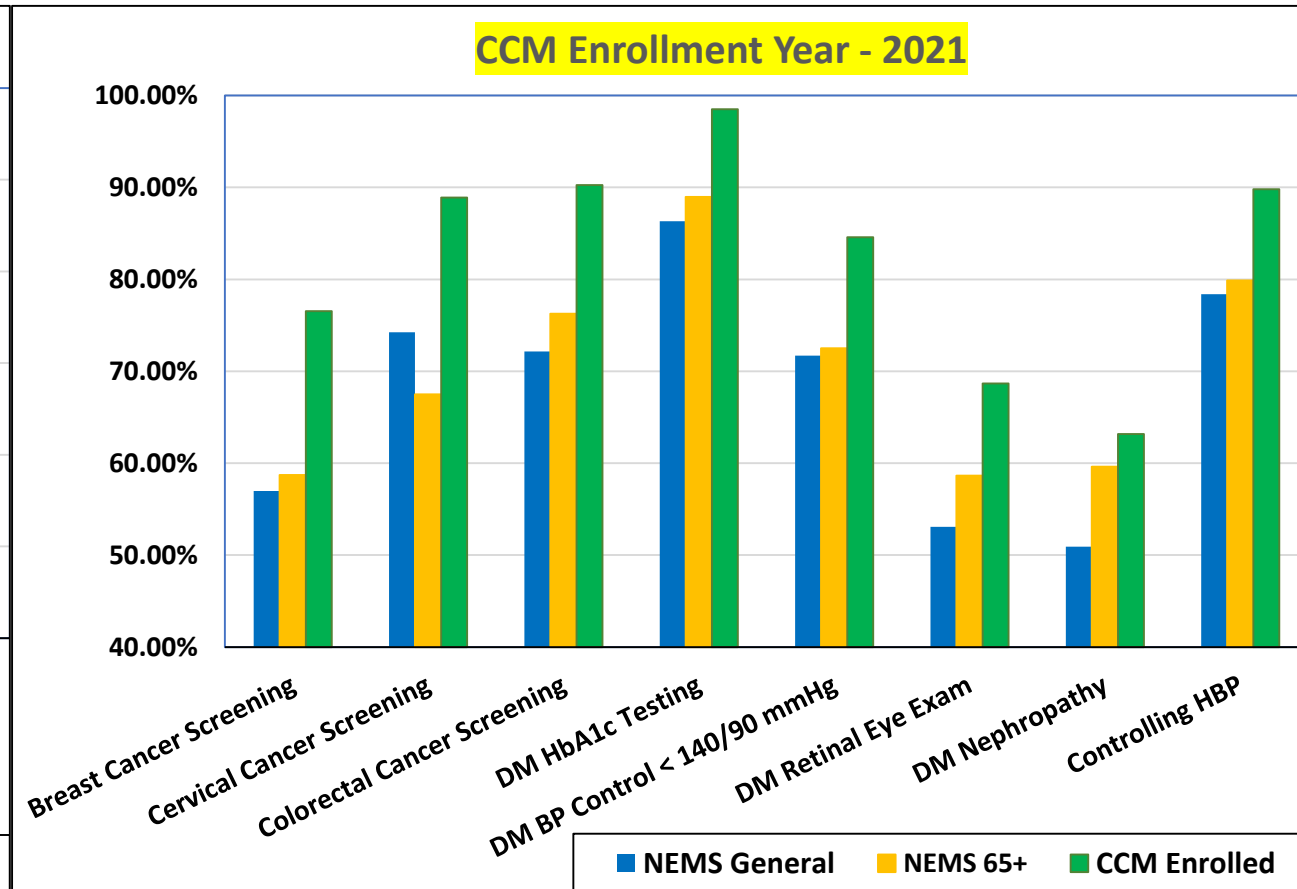
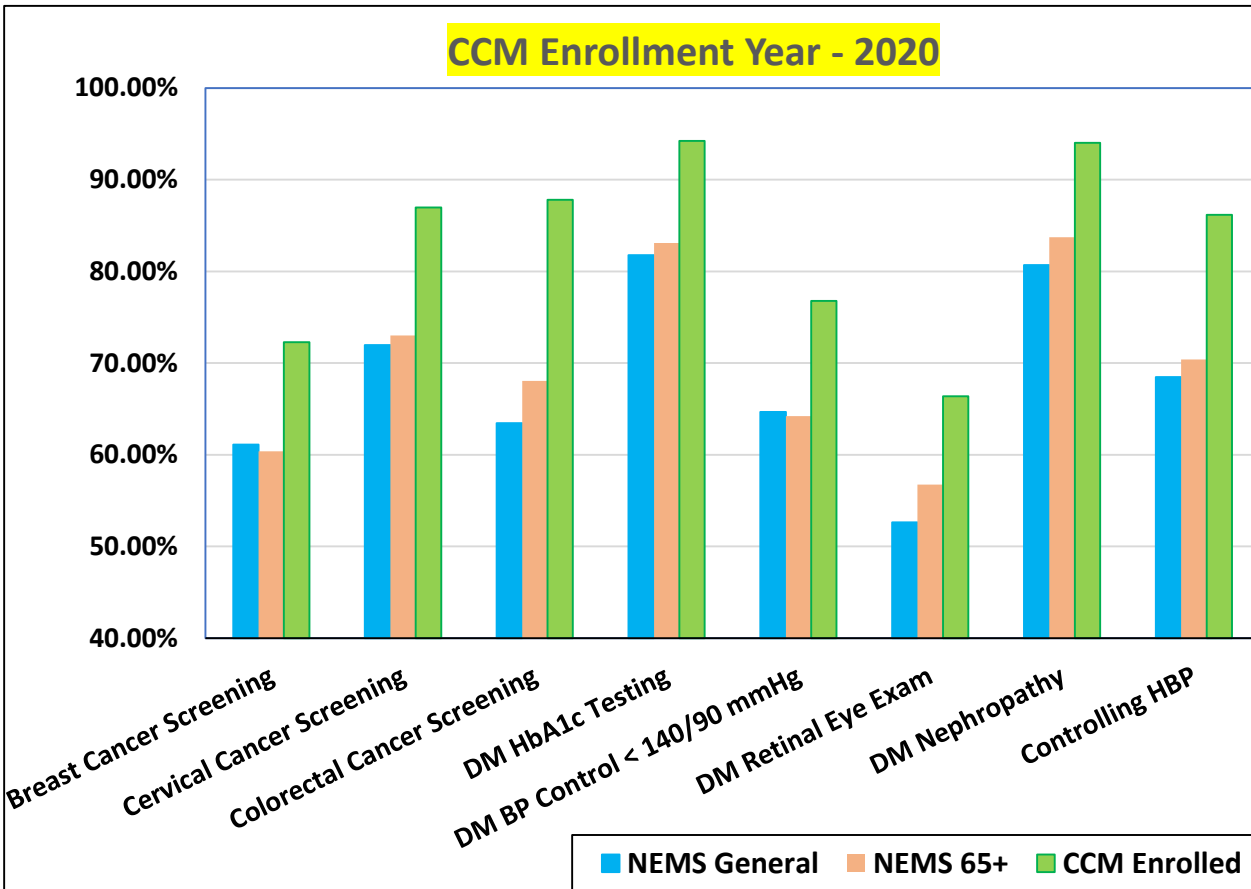
- ✓ 4 Medicaid
- ✓ 2 Medicare Advantage
- ✓ 1 ACO REACH

~70k Members, Professional or Global Risk.

MSO acts as a clinic arm:

- ✓ Buffer between managed care plans and FQ clinic.
- ✓ Expand specialist network to promote access.
- ✓ Centralized CM Services to promote coordinated care and patient experience.
- ✓ Manage all Quality Incentive Programs to promote health outcomes for all (P4P, QIP, VBP, etc.)

Experience Shows Care Management Program Impacts Health Outcomes Consistently



- ✓ Over 8k FFS Medicare patients actively accessing care at NEMS each year.
- ✓ 46% enrolled and actively engaged in the Medicare CCM program.
- ✓ NEMS MSO works hand in hand with NEMS clinics for CCM.

Patient Engagement – Key for Successful CM in VBC Arrangement

- ❖ The REACH model gives flexibilities for ACO working with Medicare beneficiaries.
- ❖ CMS allows the use of In-Kind Incentives to engage beneficiaries.
- ❖ Must be connection between incentives and medical care of beneficiary.
- ❖ NEMS ACO offers these in-kind services to REACH beneficiaries.

Transportation

OTC
Coverage

Meal & Grocery
Delivery

RPM
Devices

Eyeglasses
Annually

Fitness
Program



Patient Engagement Drives Quality and Health Outcomes!

REACH Model QI Opportunity

- 1) All-Condition Readmission
- 2) Unplanned Admissions for Patients with Multiple Chronic Conditions
- 3) Timely Follow-Up After Acute Exacerbation of Chronic Conditions
- 4) CAHPS
- 5) Health Equity Data Reporting



Ideal VBC Program



Innovative Payment Model



Allows FQHC-led entities to deliver or to arrange care in innovative ways -- We know our patients better!!



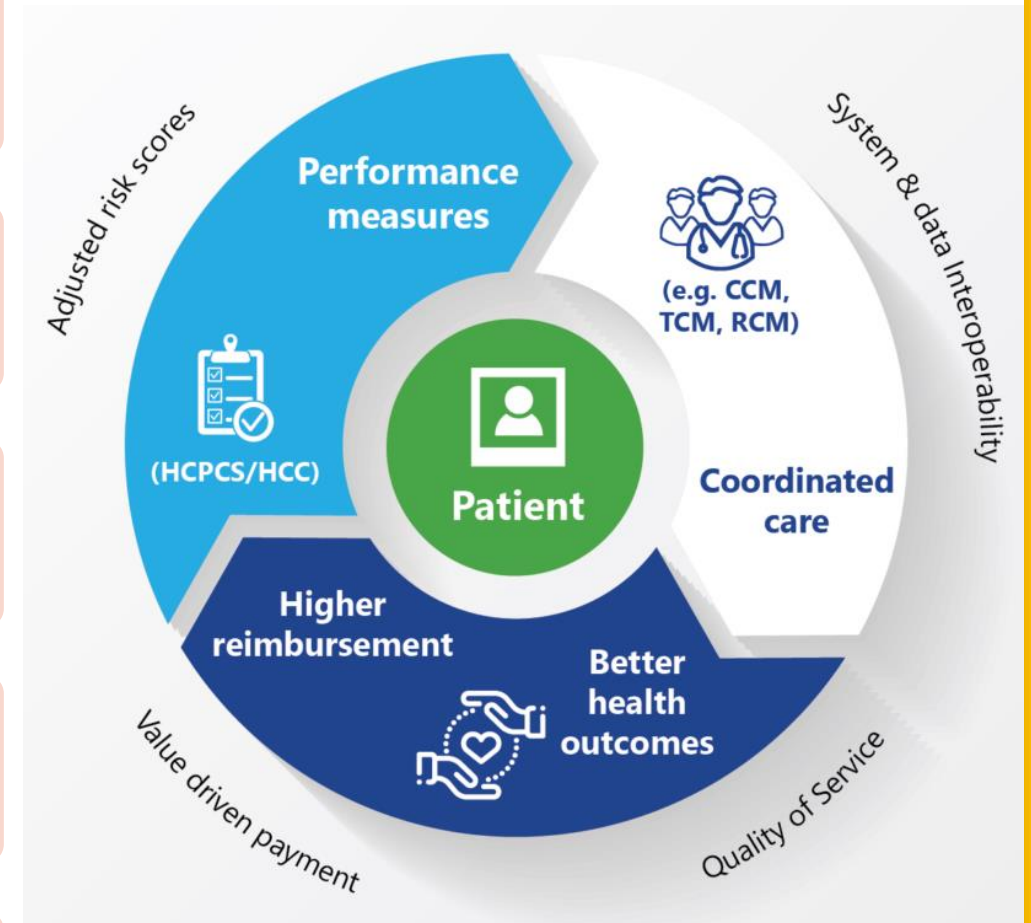
Resources to build or enhance Care Management Program for FQHC to success.



Risk and data analytics to inform operational changes focus on the underserved population.



Measurable outcomes and incentives to encourage continued improvements.





**In REACH Model,
ACO takes the
risk,
FQHC has no risk!**

REACH – FQHC Opportunity





Thank You!

Questions?



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