



CT Maternity Bundled Payment Program

**Provider Payment
Focused Discussion:
Payment Pricing and
Financial Risk**

September 27, 2022



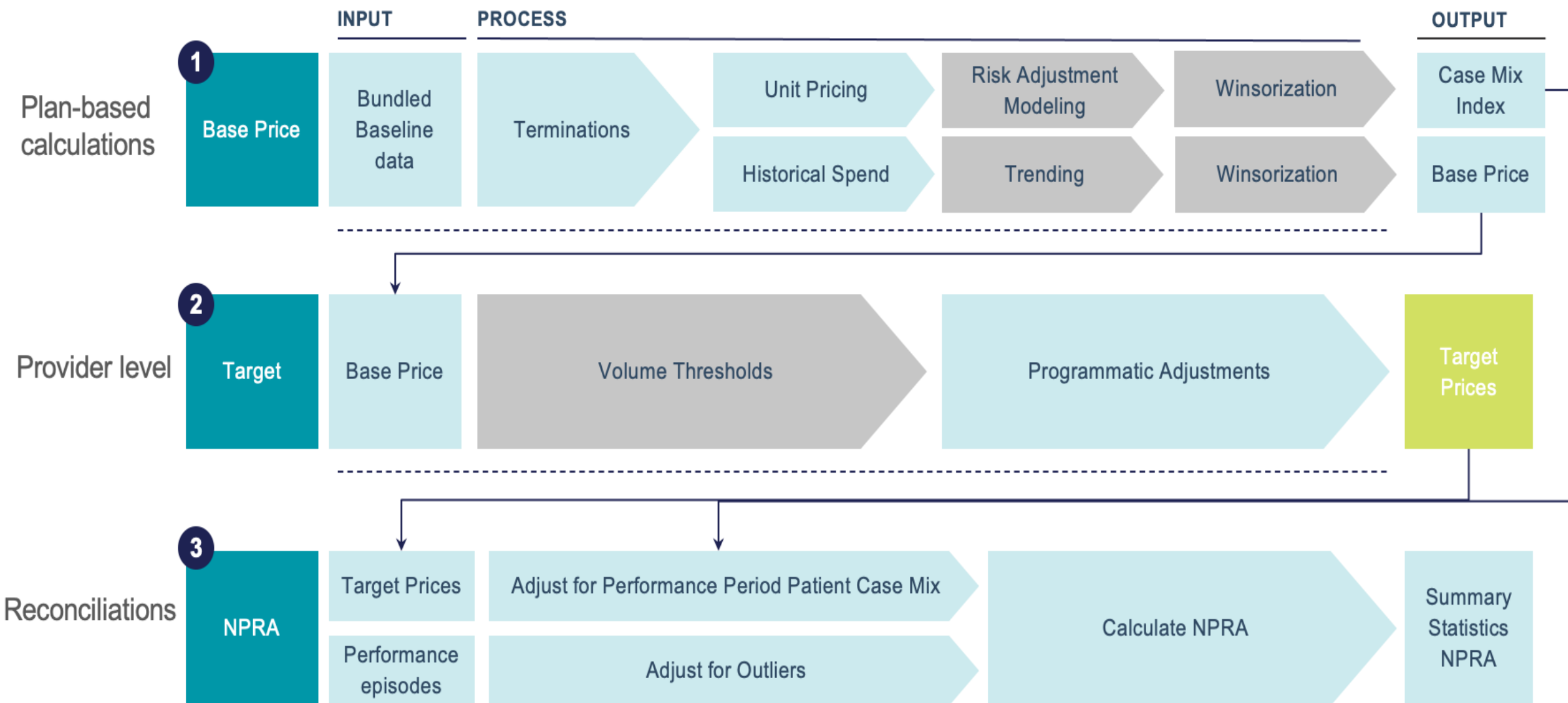
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Consultants • Actuaries • Economists

AGENDA

- Payment Pricing Overview
- Payment Pricing Steps
- Risk Adjustments
- Maternity Bundle Pricing
- Questions

Pricing Methodology



NPRA= Net payment reconciliation amount - essentially the savings rate

1. Exclusion Criteria

To ensure only complete and accurate episodes are used for pricing, exclusion criteria is applied to remove episodes and members from the pricing process.

2. Standardized Episode Cost

The total standardized episode cost is used as the predicted outcome in the risk adjustment models.

3. Winsorize Outliers

Total allowed amounts for episodes below and above the 5th and 99th percentiles are reset to those thresholds.

4. Trend Prices

Historical claims data is used to develop baseline price and then trend factors are applied to update historical prices and make them applicable to the performance period.

5. Risk Adjustment

- Member Demographics: age.
- Episode Subtypes: subcategories of an episode that identify different modalities and cost trajectories.
- Risk factors: comorbidities present at the start of the episode which could influence episode cost.
- ***Potential for further risk adjustments for social and environmental factors***
- Supplemental risk adjustors: enrollment duration and line of business, if appropriate.

6. Base Price and Case Mix

Provider	Base Price	Predicted Price Baseline	Population Avg Price	Case Mix Baseline
Provider A	\$1,000	\$1,200	\$1,100	$\$1,200 / \$1,100 = 1.09$
Provider B	\$1,000	\$1,100	\$1,100	$\$1,100 / \$1,100 = 1.00$
Provider C	\$1,000	\$1,000	\$1,100	$\$1,000 / \$1,100 = 0.91$



Risk Adjustment Reconciliation

Provider	Case Mix Performance	Case Mix Adjustor	Risk Adjusted Price	Performance FFS	Net Saving or Loss
Provider A	1.05	$1.05/1.09=0.96$	$\$1000 \times 0.96 = \963	\$980	$\$963 - \$980 = - \$17$
Provider B	1	$1.00/1.00=1.00$	$\$1000 \times 1.00 = \1000	\$980	$\$1000 - \$980 = \$20$
Provider C	0.98	$0.98/0.91=1.08$	$\$1000 \times 1.08 = \1078	\$980	$\$1078 - \$980 = \$98$

Next Steps

Next Provider Focused Discussion: **November 15th 11am-12:30pm**

Tentative Agenda

- Payment Methodology Design Elements
 - Retrospective Reconciliation
 - Episode Pricing
 - Benchmarks
- Actionable Adverse Events
- Quality Measure Updates

Upcoming Maternity Bundle Advisory Meetings

- Feedback will be gathered in the monthly advisory meetings with ad hoc sessions, scheduled as needed to offer more focused discussions on specific topics
- The process will be iterative with opportunity to share feedback to drafted design elements

Advisory

Focused Discussions

Date	Meetings	Agenda Topic
8/9	<i>Focus: Provider Payment</i>	<i>Solicit feedback on postpartum and newborn care</i>
8/23	Maternity Bundle Advisory	Provide process update and solicit feedback on draft maternity bundle building blocks design on postpartum, newborn care, and member/provider inclusion and exclusion criteria
9/20	Maternity Bundle Advisory	Solicit feedback on services included in the bundle
9/27	<i>Focus: Provider Payment</i>	<i>Introduce financial process</i>
10/18	Maternity Bundle Advisory	Discuss quality measure slate updates and introduce financial process
11/15	<i>Focus: Provider Payment</i>	<i>Discuss proposed hybrid prospective & retrospective payment methodology, quality measure updates, and Adverse Actionable Events</i>
11/22	Maternity Bundle Advisory	Solicit feedback on proposed hybrid prospective & retrospective payment methodology and quality measure updates
12/13	<i>Focus: Provider Payment</i>	<i>Discuss payment methodology, including financial risk, social risk adjustment, target pricing, and baseline performance</i>
12/20	Maternity Bundle Advisory	Solicit feedback on financial risk, target pricing, and baseline performance, as well as provide update on Doula Integration
1/24	Maternity Bundle Advisory	Review final bundle design

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