Mercer

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HUSKY Maternity Bundle Payment Program

Advisory Council Meeting

January 30, 2024

A business of Marsh McLennan

1. Program Status Update
2. Provider Attribution
3. Target Price
4. Case Rate
5. Reconciliation
6. Quality Measures
7. Next Steps

Agenda

Program Status Update

DSS anticipates implementing the HUSKY Maternity Bundle Payment Program on **September 1, 2024**, pending federal approval.

- It is possible that DSS may be able to launch the bundle payment program earlier than this date but will not do so without giving a 3 month notice to providers if launching earlier than September 1, 2024.

Current Priorities

- CMS State Plan Amendment (SPA) Approval
- Actuarial Modeling & Program Testing (dry run of 2022 claims)
- Program Readiness

Upcoming Work

- Draft Provider-Specific Case Rates
- 2022 Provider Historic Performance Reports
- Provider Bulletin of payment policies and processes
- Additional Provider Forums & Advisory Council Meetings
- Provider FAQs
- Resources for Lactation Support & Other Services

Reminder: DSS Maternity Bundle Overview

An episode of care describes the total amount of care provided to a patient during a set timeframe. In this program, the "**Maternity Bundle"** episode includes services across all phases of the perinatal period (prenatal, labor & delivery, postpartum), spanning 280 days before birth and 90 days postpartum.

Pregnancy

Pregnancy Look back period: 280 days prior to delivery

Delivery and Postpartum Care (Vaginal or C-section)

Postpartum Look forward period: 90 days post-delivery

Newborn Care - *reporting only*
Look forward period: 30 days post-delivery (90 days max)

Reconciliation

Services included in the bundle will be reconciled to a target price six months after delivery claims are submitted

Case rate payments triggered by first claim of 2nd trimester

FFS

Bundled "Case Rate" Payments
and FFS for certain services (see Service Inclusion/Exclusion criteria)

Shared Savings
(Upside only)

Pregnancy

- Monthly prenatal visits
- Routine ultrasound
- Blood testing
- Diabetes testing
- Genetic testing
- Doulas
- Care navigators
- Group ed meetings
- Childhood ed classes
- Preventive screenings (chlamydia, cervical cancer, etc.)

Labor and Birth

- Vaginal or C-section delivery

Postpartum*

- Breastfeeding support
- Depression screening
- Contraception Planning
- Ensuring link from labor and birth to primary and pediatric care providers occurs for birthing person and baby

*To align with HUSKY's expanded 12-month of postpartum coverage (effective April 1, 2022), DSS will conduct reporting on services provided within 365 days post-delivery to inform whether to include a 12-month postpartum period in the bundle's financial reconciliation bundle after Year 1 or later.

Provider Attribution

Attribution Logic

Pre-Launch Attribution Logic: Three Stage Process

Stage 1: Global Codes

Episode attributing provider is determined by the billing provider of a maternal global CPT code:

- 59400
- 59510
- 59610
- 59618

Stage 2: E&M + Diagnosis

Otherwise, episodes are attributed under the following conditions:

- An E&M code was billed with a triggering second trimester diagnosis
- The patient has seen the provider at least one other time during the second or third trimester

Stage 3: E&M Volume

Else, episodes are attributed using the volume of prenatal and postpartum visits billed with an E&M code

Attribution eligibility is limited to a subset of provider specialties:

- Physician Family Medicine
- Physician Obstetrics and Gynecology
- Certified Nurse Midwife
- Nurse Midwife Group Certified Nurse Midwife
- Physician Group Family Medicine
- Physician Group Obstetrics and Gynecology
- Obstetric Nurse Practitioner
- Family Nurse Practitioner
- Women's Health Nurse Practitioner
- Obstetric Nurse Practitioner Group
- Family Nurse Practitioner Group
- Women's Health Nurse Practitioner Group

DSS anticipates future billing guidance for maternal care providers to specifically indicate episode responsibility. Initial program attribution logic has been modified for the determination of eligible program providers and for historical experience needs.

Target Price

Target Price

Services Included in the Target Price:

- OB/Licensed Midwife Professional Services
- OB/Licensed Midwife Professional-related hospitalization costs (Inpatient, Outpatient, and emergency department), including professional delivery fees, if performed by the eligible accountable provider
- OB/Licensed Midwife Professional-Related Behavioral Health Evaluations, including screening for depression and substance use
- OB/Licensed Midwife imaging, labs and diagnostics
- Screenings (general pregnancy screenings, chlamydia and cervical cancer, and screenings for intrapulmonary percussive ventilator and anxiety)
- Birth Centers and hospital costs related to maternity care
- Specialist/Professional Services related to maternity (e.g., anesthesia)
- General Pharmacy related to maternity
- Prenatal group visits
- Child education services
- Care coordination activities
- Any of the above services provided via telehealth

Time Frame	Target Price
Pregnancy	Yes
Delivery	Yes
Postpartum	Yes
Newborn	Reporting only at program launch

Target Price

Case Inclusion/Exclusion Criteria

All beneficiaries are included unless they meet one or more of the following exclusion criteria:

- Age <12 or >55
- Mother left the hospital against medical advice prior to discharge
- Any substantial gap in enrollment or eligibility during the delivery episode
- Missing a facility claim in the episode (i.e., “orphan” episode)
- Baby is stillborn
- Miscarriage or abortion

The pregnancy, delivery, or newborn components of the maternity bundle can be excluded from the cases for target price and retrospective reconciliation for the following reasons. Note that payment will remain through the prospective payment for these cases.

- Pregnancy:
  - There were no claims incurred during the first two trimesters of the pregnancy (prospective payments may still be paid for the third trimester, but the pregnancy would be excluded from the retrospective reconciliation)
- Newborn (for reporting purposes only):
  - Baby was born with a serious congenital anomaly
  - Baby could not be linked with the delivery episode

Target Price

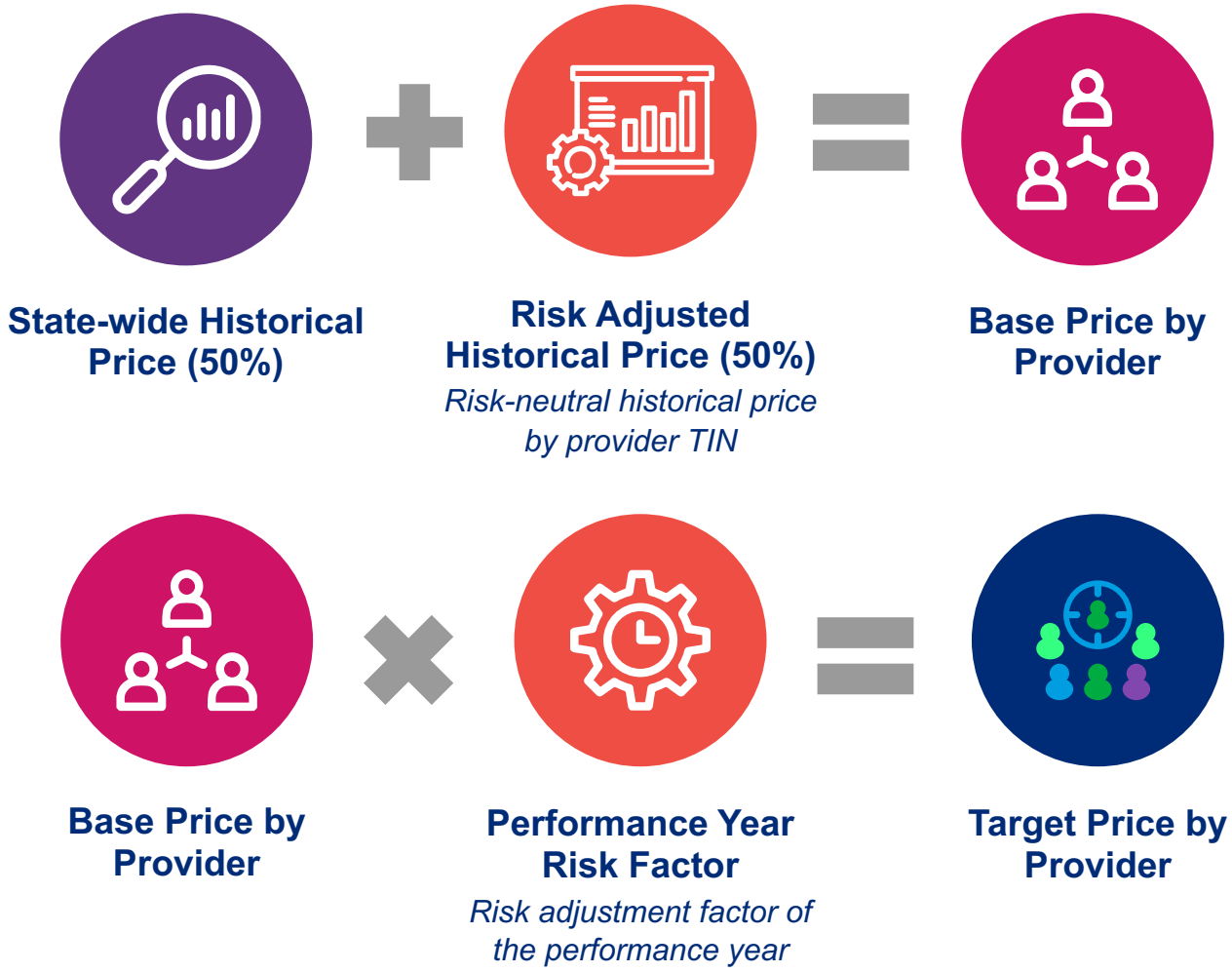
Historical Price

- Calculate the average standardized* episode cost of all services by provider TIN.
- Winsorize outliers — set the total episode cost thresholds between the fifth and 99th percentile.
- Trending — utilize the institutional knowledge from CT Department of Social Services, such as fee schedule changes.

** Standardization includes applying average fee by diagnosis related group and severity level across providers. This process will be used for inpatient hospitals and some other services.*

Risk Adjustment Factor

The historical year's risk adjustment factor, integrated with the Area Deprivation Index (an area-level measure of socioeconomic factor) will be used to risk adjust the historical price.



Case Rate

Case Rate

Prospective Payments

Prospective payments will be paid to attributed accountable provider based on historical second trimester, third trimester, and postpartum claim expense for historically attributed episodes.

- Case rate payments will begin for providers that indicate they are the primary maternal provider for the patient with a second or third-trimester claim. Payments will continue through 90 days postpartum *(Billing guidance TBD)*
- However, prospective payments will cease for a provider if/when a different provider indicates they are the primary maternal provider for the patient at a later point within the second or third trimester
- Case rate prospective payments are set to be the same for every episode per billing TIN, regardless of the current episode severity

Services to be Paid Prospectively

- OB/licensed midwife Professional Services
- OB/licensed midwife Professional-related hospitalization costs (Inpatient, Outpatient, and ED) including professional delivery fees, if performed by the eligible accountable provider
- OB/licensed midwife Professional-related Behavioral Health Evals, including screening for depression and substance use
- In-house OB/licensed midwife imaging
- In-house labs and diagnostics
- Screenings (general pregnancy screenings, chlamydia and cervical cancer, and screenings for IPV and anxiety)
- Doulas
- Lactation support (breastfeeding support is included with a broad spectrum of provider types, not limited to CHWs)
- Prenatal group visits
- Child education services
- Care coordination activities
- Any of the above services provided via telehealth

Case Rate

As part of the ongoing Actuarial Modeling & Program Testing (dry run of 2022 claims), DSS anticipates publishing provider-specific Case Rates before the end of Q1 2024.

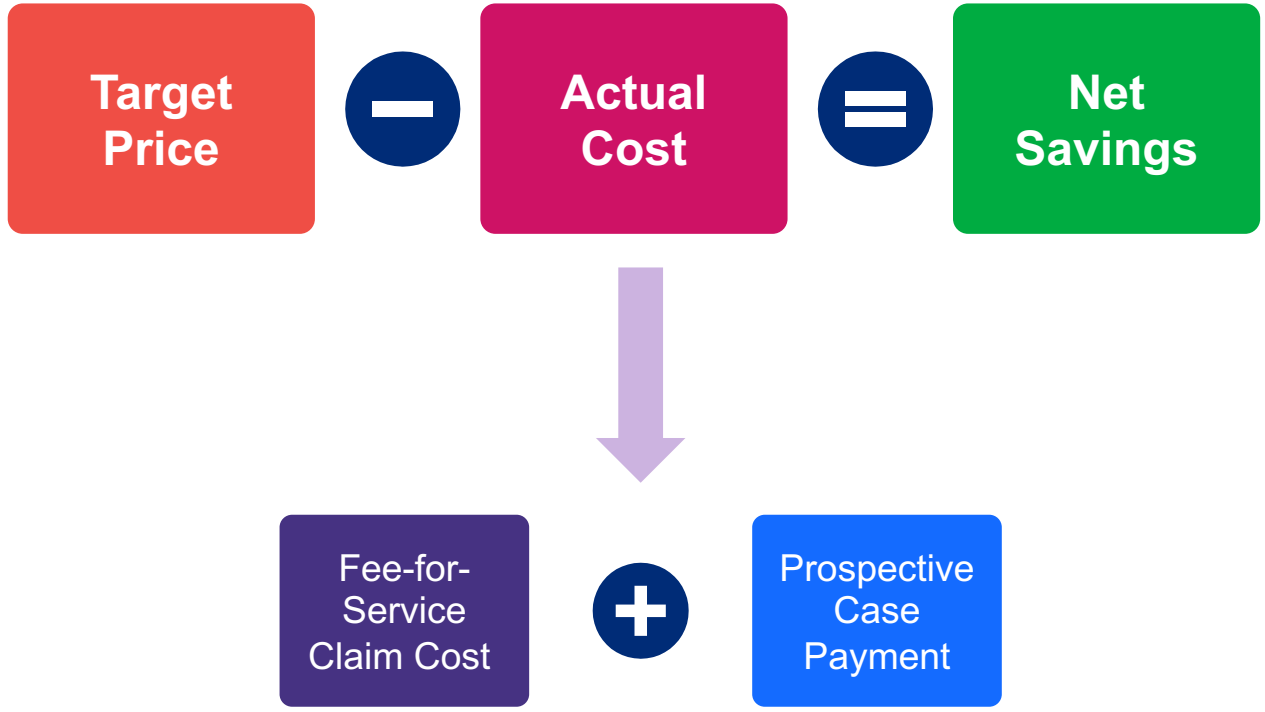
- As noted in the previous slide, the provider-specific payment amount is based on historical second trimester, third trimester, and postpartum claim expenses and include delivery costs.

- An additional add-on payment of $21/month will be provided to fund doulas services and lactation supports.
  - Add-on payments for doula care and lactation supports will not impact opportunity for incentive payment earnings to encourage uptake of the new benefits.
  - Doula services and lactation supports will be excluded from incentive payment calculations, and doula services will be subject to a retrospective true up.

Reconciliation

Reconciliation

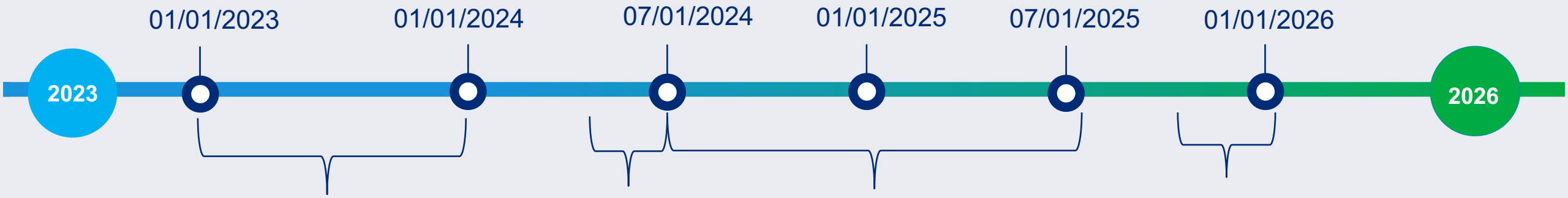
- Occurs no later than six months after the performance period ends.
- The total cost of care for services provided under the bundle will be compared to the target price.
- Bundles will be reconciled once per year with the provision of quarterly provider data reports.
- For year one, providers will not be responsible for losses, but will share a portion of savings based on their quality measure performance.



Reconciliation Timeline

Assuming Performance Year 1–July 1, 2024, to June 30, 2025

This timeline reflects an assumption of a July 2024 go live, however, should the final go-live date shift to September 2024 everything will shift by three months.



Quality Measure

Quality Measures and Weights

Pay for Performance (71% Total)

1

Cesarean Birth (24%)

The proportion of live babies born at or beyond 37.0 weeks gestation to women in their first pregnancy, via cesarean birth.

2

Postpartum Care (18%)

Measures rate of timeliness of postpartum care for the maternity bundle project.

3

Prenatal Care (12%)

Measures the timeliness of prenatal care for the maternity bundle project.

4

Low Birth Weight (12%)

The proportion of infants with the International Classification of Diseases codes for light for gestational age, small for gestational age, low birth weight, or intensive care units care for low birthweight infants on newborn records among all births.

5

Maternal Adverse Events (6%)

The proportion of deliveries > = 20 weeks gestation with any of 21 maternal morbidities plus maternal mortality occurring during the delivery hospitalization, risk-adjusted using claims data.

Pay for Reporting (29%)

6

Contraception (6%)

The proportion of mothers with Live Deliveries that reported Contraceptive use within 90 days of Delivery

7

Preterm Birth/Labor (6%)

The proportion of preterm births/labors among the total number of live births

8

Doula Utilization (6%)

Proportion of births attended by a doula.

9

Breastfeeding (6%)

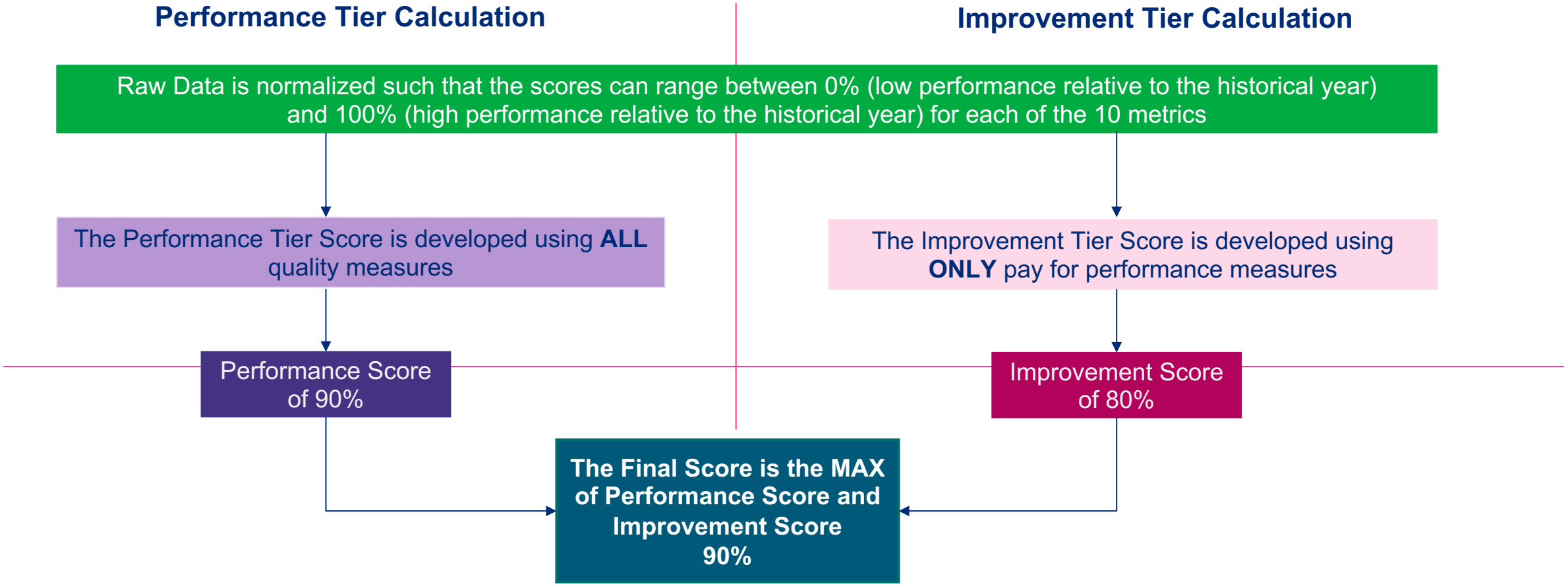
Assesses the proportion of newborns exclusively fed breast milk during the newborn's entire hospitalization.

10

Behavioral Health Risk Assessment (6%)

Proportion of patients who gave birth and received a behavioral health screening risk assessment at the first prenatal visit of those patients who gave birth and had at least one prenatal visit

Illustrative Methodology Example — Draft



Methodology and Assumptions Overview — Draft

Performance Tier Score Calculation

There are four steps to calculating the Performance Tier Score:

- **Step 1:** Normalize each Pay for Performance Metric against the Historical year minimum and maximum values.
  - Pay for Reporting Metrics are assigned a value of 1 if data for the metric is present otherwise 0 if no data is present.
- **Step 2:** Invert the appropriate metrics such that a higher score is better.
- **Step 3:** Ensure that the metrics are within the boundaries of 0 and 1.
- **Step 4:** Utilize the metric weights to calculate a final composite, metric-weighted Performance Score.

Improvement Tier Score Calculation

There are three additional steps to calculate the Improvement Tier Score:

- **Step 1:** The improvement tier score is calculated with the same steps as the Performance Tier Score, but from the Pay for Performance Metrics only.
- **Step 2:** Take the difference in the Current (2022) Pay For Performance Score from the Historical (2021) Pay For Performance Score.
- **Step 3:** Divide the difference between the Current (2022) and Historical (2021) scores to get the Improvement Tier Score.

Percentage of Shared Savings Earned

- The Performance Tier Score and Improvement Tier Score are each cross-walked to a Percentage of Shared Savings Earned. **The maximum Percentage of Shared Savings Earned between the two scores is selected as the final Percentage of Shared Earning Earned**.

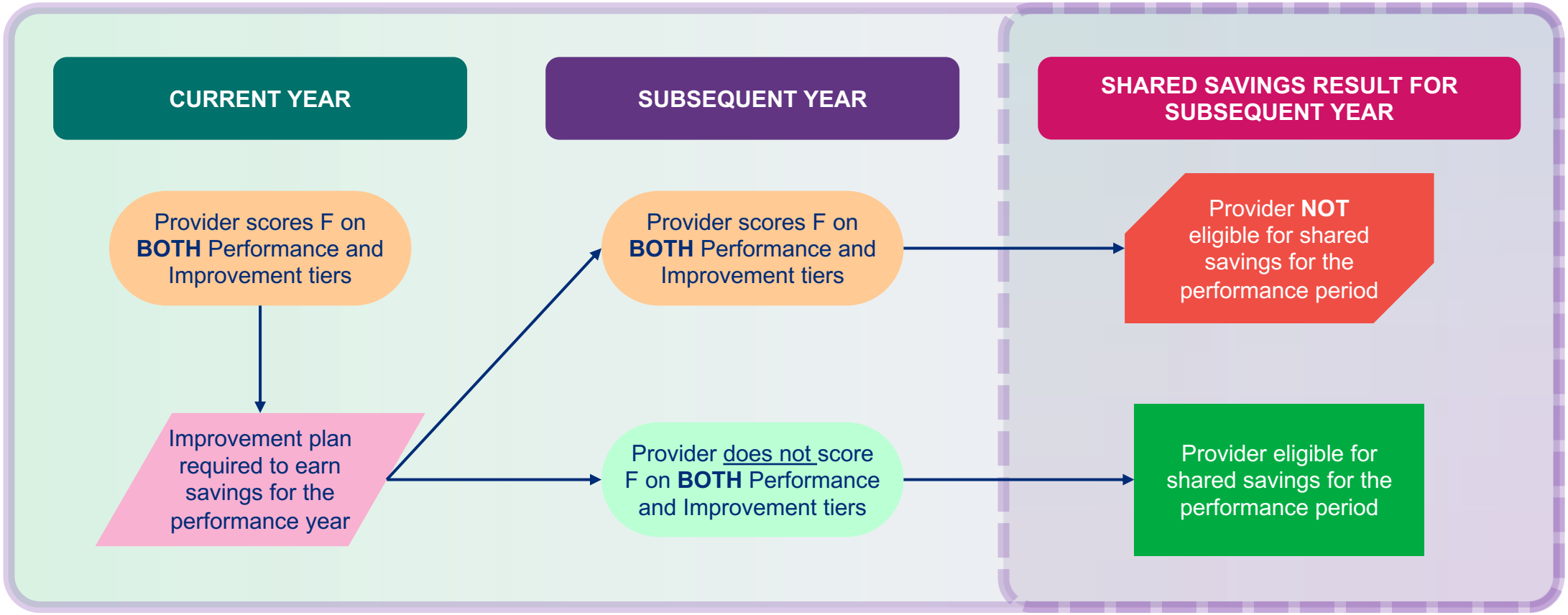
Performance Tier Score

Overall Performance	Performance Earnings Tier	Performance: % Shared Savings
< 55th Percentile of peer group	F	50%
55–60th Percentile of peer group	D	60%
60–70th Percentile of peer group	C	70%
70–75th Percentile of peer group	B	80%
75–80th Percentile of peer group	A	90%
> 80th Percentile of peer group	S	100%

Improvement Tier Score

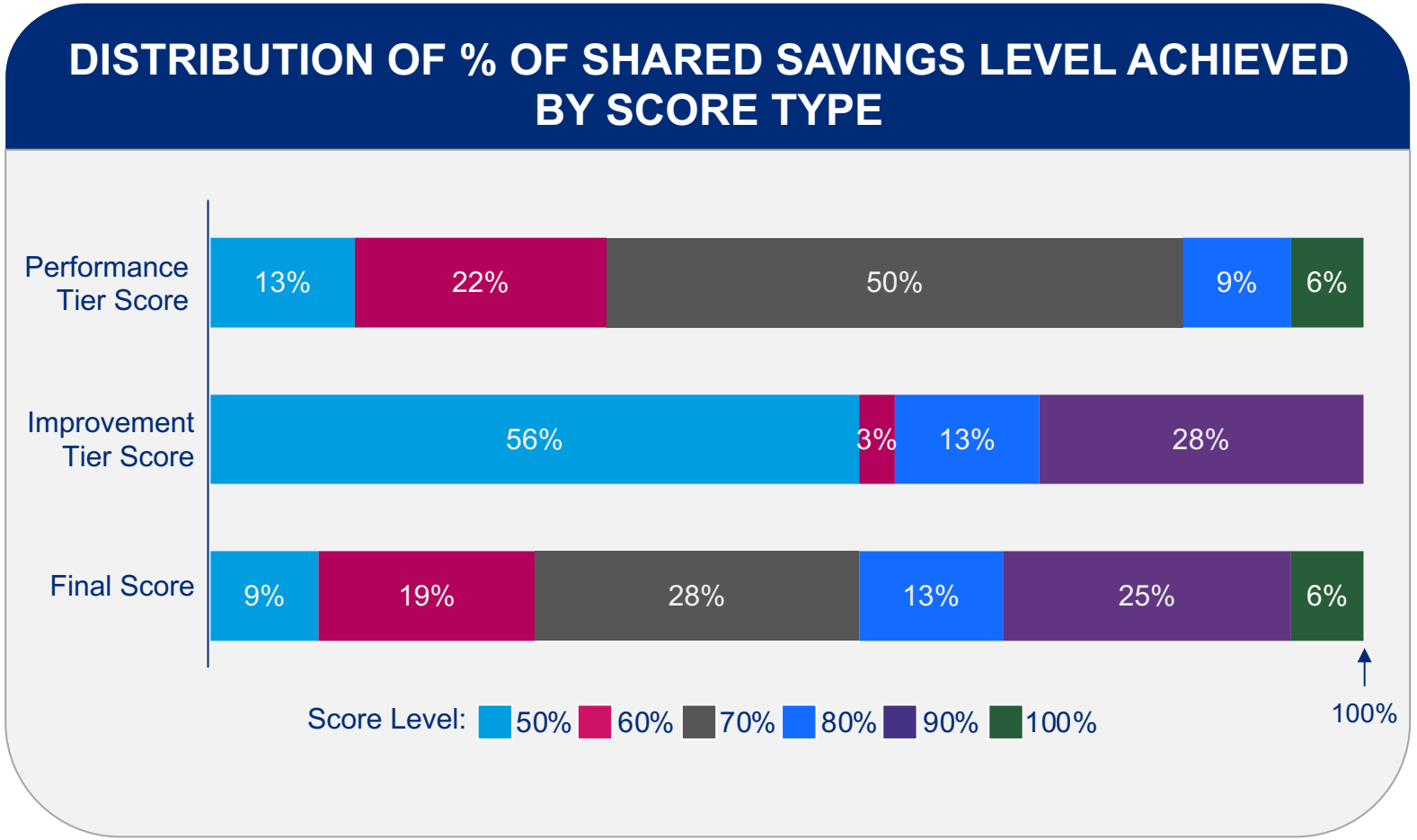
Improvement	Improvement Earnings Tier	Improvement: % Shared Savings
<0%	F	50%
0–3%	D	60%
3–5%	C	70%
5–10%	B	80%
10%+	A	90%

Quality Gate Check — Draft



Model Results Observations — Draft

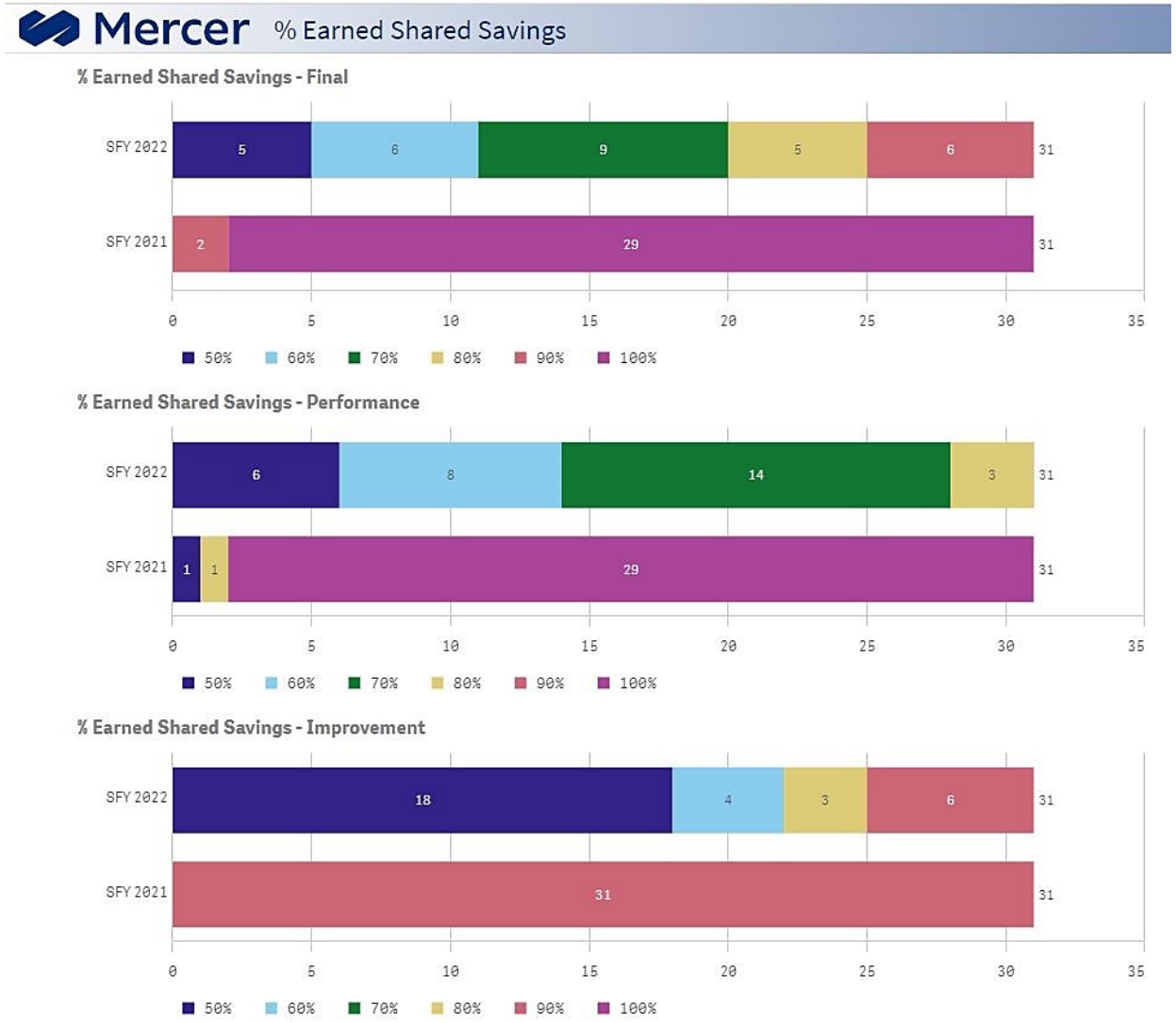
- 59% of providers would earn 70% to 80% of the Shared Savings using the Performance Tier score..
  - 59% of Providers did not improve or did worse than the prior year.
- The distribution of shared savings is well-balanced.
  - The average Earned Shared Savings is 74%, almost exactly at the center point.
  - There is now a wider arrangement of Shared Earnings ranging from 50%–100% compared to only 70%–100%
  - 6% of Providers Obtained 100% of Shared Earnings.
- 50% of Shared Earnings is the lowest level of savings possible under this methodological approach.
  - 9% of Providers scored at 50% of Shared Earnings



Dashboard

Sample Dashboard of Shared Savings

Pending Final Approval



Sample of Quality Measure Dashboard

Pending Final Approval

Mercer Reporting Measure Rate Overview

Measure Descriptions

Measures	Measure Description	Category	Membership	Excluded Membership
BH Risk Assessments	Proportion of patients who gave birth and received a behavioral health screening risk assessment at the first prenatal visit of those patients who gave birth and had at least one prenatal visit.	Pay for Reporting Metrics	-	-
Breastfeeding	Assesses the proportion of newborns exclusively fed breast milk during the newborn's entire hospitalization.	Pay for Reporting Metrics	-	-
Cesarean Birth NTSV	The proportion of live babies born at or beyond 37.0 weeks gestation to women in their first pregnancy, via cesarean birth.	Pay for Performance Metrics	All Programs	Dual-Eligible, Limited Benefit & Medicare/Medicaid Members
Doula Utilization	Proportion of births attended by doula.	Pay for Reporting Metrics	-	-
LARC Within 90 Days	Proportion of mothers with Live Deliveries that reported Contraceptive use within 90 days of Delivery.	Pay for Reporting Metrics	HUSKY Programs A, B, C, D	Dual Eligible Members and Limited Benefit
Low Birth Weight	Proportion of infants with ICD codes for light for gestational age, small for gestational age, low birthweight, or ICU care for low birthweight infant on newborn record among all births.	Pay for Performance Metrics	Husky A, Husky B, Husky C and Husky D	Dual-eligible Medicare/Medicaid members
Postpartum Care	Measures rate of timeliness of postpartum care for the maternity bundle project.	Pay for Performance Metrics	All Programs	Non-live births, Dual Eligible Medicare/Medicaid, Deceased Members, Hospice Services, Acute
Prenatal Care	Measures the timeliness of prenatal care for the maternity bundle project.	Pay for Performance Metrics	-	Non-live births, Dual Eligible Medicare/Medicaid, Deceased Members, Hospice Services
Preterm Birth/Labor	Proportion of preterm births/labors among the total number of live births.	Pay for Reporting Metrics	All Programs	Limited Benefit, Dual-Eligible & Medicare/Medicaid Members
Risk SOC - Maternal Adverse Events	The proportion of deliveries > = 20 weeks gestation with any of 21 maternal morbidities plus maternal mortality occurring during the delivery hospitalization, risk adjusted using claims data.	Pay for Performance Metrics	-	-

Sample of Quality Measure Dashboard

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Next Steps

Current Priorities

- CMS CMS State Plan Amendment (SPA) Approval
- Actuarial Modeling & Program Testing
- Program Readiness

Upcoming Work

- Draft Provider-Specific Case Rates
- 2022 Provider Historic Performance Reports
- Provider Bulletin of bundled payment policies and processes
- Additional Provider Forums & Advisory Council Meetings

Provider Resources	Objective	Target for Release
Doula Resources	Provide doula service guidance for providers and for doulas	See DSS Doula Integration webpage
Draft Case Rates	Share previews of each provider's draft case rate payment amount	Q1 2024
Provider Bulletin	Provide technical details of the program's payment/billing policies and processes	Q2 2024
2022 Provider Historic Performance Reports	Share previews of each provider's anticipated performance in the HUSKY Maternity Bundle Program based on 2022 claims data	Q2 2024
Provider Forums	Discuss and review the historic performance reports and share best practices	Q1-Q3 2024
Lactation Support Resources & Other Service Guidance	Provide recommendations/guidance on new bundle benefits, including lactation supports, prenatal group visits, and mental health supports	Q2 2024

More information about the HUSKY Maternity Bundle can be found at this website: **https://portal.ct.gov/DSS/Health-And-Home-Care/HUSKY-Maternity-Bundle**

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