

# **THPMP Custom Care Value-Based Insurance Design under CMS Demonstration Project**

Presentation for Panel Discussion at the  
National Medicare Advantage Summit

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## Work Group Established Guiding Principles

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~~Growth  
initiative~~

Keep it  
simple

Innovate and  
support a  
CMS initiative

Provider  
engagement,  
member  
satisfaction,  
clinical  
outcomes

Star  
measures &  
risk  
adjustment  
(potentially)

Services  
inside  
provider risk  
deals

## VBID Use Case Assessment Framework Example that was not selected

Target Conditions	S/P stroke, Diabetes, CHF, COPD
Proposed Intervention	Reduce PT copayment to allow for reconditioning to prevent falls
Size of Target Population	Up to 40,000
Risk Adjustment	None; PT claims don't count in HCC calculation
Copay Revenue Impact	Reduced copayment revenue would affect MSF costs, possible HSF for hospital based PT
Medical Cost Impact	Could decrease serious fall rate of 5% which generates \$20-25 pmpm in costs
Star Measure Impact	HOS Discussing Falls rate
Operations/ Implementation Considerations	Claims dept.
Provider Considerations	Affects their fund balances but I heard from xxxx and yyyy they may be willing to invest in this way Contracted PT network education

- Hypothetical benefit design descriptions that might result in medical cost savings
- Limited to conditions in CMS pilot
- Consideration of impact on TMP margin, Medical Group margin, risk share between TMP and medical groups, and operational barriers
- 14 use cases initially described
- Multidisciplinary team analyzed impact of each case on:
  - administrative costs
  - critical departments' other projects
  - medical costs
  - providers
  - members
- Engaged key provider partners for their receptivity; engage at design stage to minimize resistance at implementation stage

## THP Proposal to CMS

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### Diagnoses

- CHF
- COPD
- CHF & COPD

### Participation Requirement

- Enrollment in care management

### Interventions

- No copay for **PCP visits**
- Reduced copay to PCP level for **specialist visits** with cardiologists and pulmonologists



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- CHF and COPD have highest rates of avoidable admissions
- Improved access to PCP and specialists should reduce ER, Inpatient and SNF utilization
- Reduced copay for physicians is an incentive for the resistant members to engage with care management which we believe lowers medical costs in itself

## Custom Care Chosen as name of Product

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- CMS selected THPMP to participate in the pilot program aimed at improving clinical experience and quality of care for members with Congestive Heart Failure (CHF) and/or Chronic Obstructive Pulmonary Disease (COPD) by facilitating the correct frequency and level of care from providers.
- Effective dates: On or after January 1, 2017
- Member Population:
  - HMO Medicare Advantage
  - Non-Employer Group
  - Meets the Clinical criteria (identified by Care Mgmt) for CHF and/or COPD
  - Members who are currently in Care Management and have these conditions are automatically enrolled
  - Members who are not currently in Care Management but meet all other conditions are notified of their eligibility. This is a voluntary program for members.

## Summary

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- We are in a very complex industry
  - We were surprised by the complexity of implementing this relatively simple alteration in benefits for a subpopulation.
- It is critical for us to understand the operational implications of medical decisions in general and regarding VBID specifically.
  - Value based design is getting press nationally.
  - Other Segments may be asked to design and implement such products
  - Enterprise Pharmacy, UM, and other functions may be required to provide input
- Never underestimate the work involved in even simple changes.
- Don't let that work discourage you!