

## **AHARO Hawaii Quest Integrated Services Contract Outline for Discussion - August 25, 2017**

### **I. Background**

AHARO Hawaii is a network of four Federally Qualified Health Centers (FQHCs) sufficiently clinically integrated to seek to partner with [Health Plan] to provide performance-based services to Hawaii's MedQuest populations. AHARO Hawaii Health Centers will be completing a survey tool that will be used to compile information such as number of patients, hours of operations and other value-added services.

Incentives provided in this performance-based contract will be compliant with the Hawaii State Medicaid waiver approved June 25, 2010 related to FQHC payment methodology. The following excerpt from Section 10.2 (Supplemental Managed Care Payments) describes items exempt from PPS reconciliation: *"(excluding payment for non-PPS services, managed care risk pool accruals, distributions or losses and pay-for-performance bonuses or other forms of incentive payments such as quality improvement recognition grants and awards) and the payment that each FQHC or RHC would have received under the PPS methodology."*

### **II. Payment Components**

#### **A. Clinical Integration Management Fee - \$(TBD) per member per month (PMPM)**

The Health Plan would agree to support clinical integration of AHARO Hawaii Health Centers with \$(TBD) PMPM capitation. These funds would be used to create a common dashboard developed to track the quality performance metrics the Plan assigns to the Health Centers. Quality improvement will be systematically reviewed by a clinical committee comprised of members from each Health Center. A second \$(TBD) PMPM capitation will be provided by the Health Plan to support an Accountable Care Dashboard to track total cost of care metrics co-designed by the Health Centers and the Health Plan. Similar integrated review processes apply. The proposed Accountable Care metrics are attached as Exhibit A. See Exhibit B for the AHARO Clinical Integration Agreement as amended.

#### **B. Health Information Technology Work Plan - \$(TBD) PMPM potential**

In order to transition to total cost of care management, the AHARO Hawaii Health Centers agree to create systems capable of both managing and evaluating the systematic reduction of avoidable costs. A \$(TBD) PMPM capitation will allow Health Centers the working capital necessary to build systems capability. An additional \$(TBD) capitation will be paid retroactively based on a completion factor related to the 2017/2018 HIT/Care Coordination Work Plan (see Exhibit C).

#### **C. Quality Improvement Recognition Grants - From Plan Pay for Performance Offer (As proposed by the Health Plan)**

#### **D. Supplemental Health Home Quality Improvement grants - \$(TBD) PMPM**

A prospective \$(TBD) PMPM capitation is provided to each Health Center governing board to make systematic quality improvements in their supplemental health home standards directed at Social Determinants of Health (SDoH) issues prevalent in their communities. Each Health Center will comply with a minimum level of community engagement and select not less than six objectives for addressing these social conditions (see Exhibit D).

#### **E. Gain Share Distribution**

Gain share will be distributed based on the relative utility each partner provides towards the creation of any risk pool margin. Initial distribution factors will include three elements: 1) Assumption of downside risk proportionate to 100% risk adjustment equal to 40% of upside gain; 2) plan performance on 360-degree review as 10% factor (see Exhibit E); and 3) Scope of Services provided by FQHC as 50% factor.

#### **F. Other Factors**

Two additional reimbursement factors are included for 2017/2018 including a capitation for substance abuse treatment services for non-PPS supported services and a pilot program around alternative touches that will be revenue neutral.