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Nevada Public Option Implementation
Design Session #4

Benefits | Value-based Payment & Cost Containment

January 13, 2022

Welcome to Zoom – Meeting Participation Options

Written Comments:
Participants may submit comments and questions through the **Zoom Q&A box**; all comments will be recorded and reviewed by the State. To submit questions or comments outside of today's session, write to: **NVpublicoption@dhhs.nv.gov**

Spoken Comments:
Participants must "raise their hand" for Zoom facilitators to unmute them to share comments; the facilitators will notify participants of the appropriate time to volunteer feedback.

If you logged on via phone-only

Press "*9" on your phone to "raise your hand"

Listen for your phone number to be called by moderator

If selected to share your comment, please ensure you are "unmuted' on your phone by pressing "*6"

If you logged on via Zoom interface

Press "Raise Hand" in the "Reactions" button on the screen

If selected to share your comment, you will receive a request to "unmute;" please ensure you accept before speaking

Public Comment Opportunities

- Public comment will be taken during the meeting at designated times.
- Individuals will be recognized for up to three minutes and are asked to state their name and organizational affiliation at the top of their statements.
- Participants are encouraged to use the comment box to ensure all feedback is captured or email their comments to **NVpublicoption@dhhs.nv.gov**
- The State will publish a public option FAQ and will continue to use this resource to inform the public and address design questions

Today's Agenda

- Meeting Overview
- Benefits
- Value-based Payment and Cost Containment
- Next Steps and Public Comment

Meeting Overview

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Design Session Schedule

Session #	Date	Focus
1	December 8th 2-3 pm PT	• Goals and guiding principles • Overview of legislation and 1332 waivers • Overview of public option designs in other states
2	December 22nd 2-3 pm PT	• Stakeholder priorities for the design of this public option (e.g., affordability, networks, access, provider reimbursement, etc.)
3	January 5th 2-3 pm PT	• Target population • Affordability: Cost-sharing and premiums
Today 4	January 13th 1-2 pm PT	• Benefits • Value-based payment and cost containment
5	January 18th 12-1 pm PT	• Health plan rate setting and rate review • Provider contracting and networks • Strengthening the individual marketplace
6	January 28th 1-2 pm PT	• Licensure and oversight • Offering the public option in the small group market • Next steps (actuarial analysis, subsequent opportunities for stakeholder feedback, waiver development)

Today's Goals

Overarching Objective	**Develop proposals for the public's consideration related to public option plan benefits and value-based payment and cost containment.**

Key questions for the public include:

Benefits

- What is most needed to ensure that enrollees have access to the care they need? Additional covered benefits? Reducing cost-sharing on certain benefits? Expanding access to providers?

Value-based Payment and Cost Containment

- How might the State align its purchasing strategies, cost-controls, and value-based care between its Medicaid MCOs and Exchange initiatives?
- Are there provider contracting and value-based care opportunities to improve equity, access, and culturally competent care? Are there successful models to build on in Nevada?

Benefits

Legislative Requirements for Public Option Plan Benefits

SB 420 establishes minimum coverage levels for public option products, requiring QHPs with an actuarial value of at least one silver and one gold plan.[1]

As QHPs, public option plans must cover essential health benefits (EHBs), defined from the benefit packages of reference plans.[2] States have some flexibility to mix-and-match EHBs from different reference plan options to create a more robust benefit package.

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Are there additional benefits the public option should include (e.g., care coordination, enhanced dental for adults, more extensive coverage of behavioral health services)?

Sources: 1. SB420 Text (state.nv.us). 2 CMS: Information on Essential Health Benefits (EHB) Benchmark Plans

Discussion: Enhancing Mental Health Benefits

order services including behavioral health treatment. State law requires coverage of inpatient SUD services with a minimum benefit of $9,000.[1, 2]

Covered Services
Alcohol and Substance Abuse Treatment, including Intensive Outpatient Treatment
Inpatient Psychiatric Hospital
Inpatient Psychiatric Services
Medication Management
Mental Health Outpatient Clinic
Methadone Treatment
Psychologist
Outpatient Psychiatric
Residential Treatment Centers
Tobacco cessation

Is coverage the issue or access to care or affordability challenges?

Excludes therapy for the following diagnoses or issues: marital or family problems; social, occupational, or religious maladjustment; behavior disorders; impulse control disorders; learning disabilities; mental retardation; personality disorder; and cognitive and behavioral therapy in connection with the treatment of Attention Deficit Hyperactivity Disorder (ADHD) or Attention Deficit Disorder (ADD).

What mental health benefit enhancements would be most impactful?

Source: 1. CCIIO Information on EHB Benchmark Plans 2. Nevada Revised Statutes Chapter 689A.046.

Value-based Payment & Cost Containment

Legislative Requirements and State Latitude

SB 420 promotes the use of value-based purchasing and provides flexibility around other cost containment approaches to improve health outcomes and lower costs in all geographies.

Legislative Requirements	State Latitude
• Requires the Director of DHHS to encourage the use of value-based purchasing by carriers that increase value and improve health outcomes for public option enrollees	• Defining VBP policies and requirements • Outlining a 'glidepath' towards more advance payment models as categorized by the Health Care Payment and Learning Action Network (HCP-LAN) • Providing support to providers to promote mutual success in VBP

Key Considerations:

- VBPs (or alternative payment models (APMs)) can help control costs and drive better value in market for consumers.
- VBPs can be used across multiple products and markets (e.g., Medicaid and Public Option) via multi-product VBP contracts between plans and providers, where populations are combined as one attributed population.
- VBP will only be as successful as the capabilities of the delivery system and the innovations they support.
- Incentive payments to providers need to be generous enough to motivate providers to invest in new approaches to care without subjecting them to unmanageable financial risk.

Sources: The Learning and Action Network (LAN), Alternative Payment Model White Paper, Updated 2017, available here.

Current State of VBP in Nevada

Medicaid continues to build on value-base purchasing and alternative payment model (APM) initiatives. APMs benefit from multi-payor participation and alignment.

State History with VBP

- **2015 –** CMMI State Innovation Model (SIM)
- **2017 –** Nevada Medicaid Delivery Model Report
- **2020 –** Medicaid Innovation Accelerator Program (IAP)
- **2021 –** Medicaid Managed Care procurement

Medicaid MCO Value Based Purchasing Requirements[1]

- Uses the HCP-LAN APM Framework to categorize and measure provider payments and set future targets for APM adoption
- Requires MCOs to work with providers to successfully adopt APMs and take steps to minimize provider administrative burden
- Allows the State to require provider contracting to reach State specified milestones by contract year.
  - Failure to meet targets could result in financial penalty

Sources: 1. NV Managed Care Landing Page

HCP-LAN: Alternative Payment Model Categorization Framework

The LAN's 'APM Framework' creates a common language to discuss payment reform and measure how payment to providers change over time.

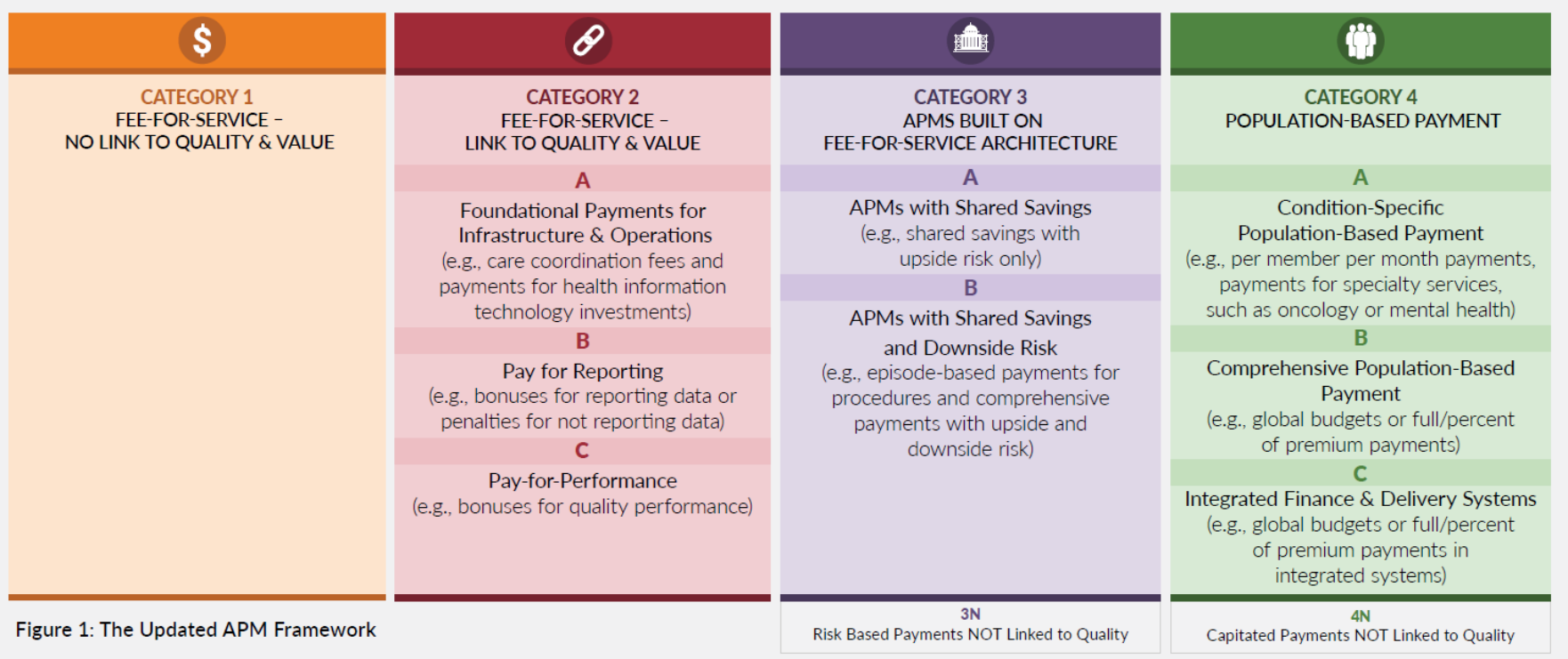

Figure 1: The Updated APM Framework

Sources: The Learning and Action Network (LAN), Alternative Payment Model White Paper, Updated 2017, available here.

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Approaches to VBP and Cost Containment in the Public Option?

State Approaches to Advance VBP via Public Option and Medicaid Managed Care Contracts

State-Directed Opportunities ⟷ **Plan-Led Opportunities**

Examples of State-Directed Approaches:

- Directed per-member per-month (PMPM) payment support for primary care, care management, and population health approaches
- Rural health payment models to expand access, promote care redesign, and provide financial security to rural providers (e.g., PA Rural Health Model, CHART, Hospital at Home)
- Establish incentive-based payment schedule for plans to use with certain provider types that meet certain targets or metrics
- Set a target for plans to meet (% of provider network includes VBP) based on specific LAN/APM Framework categories for VBP
- Others?

Examples of Plan-Led Approaches:

- Categorize, measure, and set targets for APM payments but allow plans to take their own approaches to achieve the State-specified outcomes
- Direct plans to develop their own VBP arrangements for X% of provider payments (based on LAN APM Framework)
- Direct plans to develop phase-in VBP arrangements/models to create a glidepath for Nevada providers towards introducing downside (two-sided) risk arrangements
- Plan-led APM approaches that address provider shortages
- Others?

What other delivery system or payment reforms should the State consider?

Additional VBP Considerations

Is the State interested in exploring other cost containment approaches to utilize in procurement and that align with the State's recent Executive Order on healthcare cost growth benchmarking?

What **other information regarding VBP options is needed** to help guide the state in developing its plans for transitioning across the VBP/APM continuum for providers?

Sources: NV EXECUTIVE ORDER 2021-29 (link)

Next Steps

Next Steps

- Visit the Public Option webpage for regular updates: https://dhhs.nv.gov/PublicOption/
  - To submit questions or comments, write to NVpublicoption@dhhs.nv.gov

- Attend Design Session #5 on **January 18th 12-1 pm PT.** This session will focus on:
  - Health plan rate setting and rate review
  - Provider contracting and networks
  - Strengthening the individual and small group markets

Public Comments