

Performance Year 2021 Guide to Submitting Medicaid Requests for Other Payer Advanced APM Determinations (Managed Care Organizations Providing State Medicaid Agencies with Information and Documentation)

Purpose

Through the Payer Initiated Submission Form, the Centers for Medicare & Medicaid Services (CMS) will collect information and documentation to determine whether payment arrangements will qualify as Other Payer Advanced Alternative Payment Models (APMs) under the Quality Payment Program (QPP). This process is called the Payer Initiated Other Payer Advanced APM Determination Process (Payer Initiated Process). More information about QPP is available at <http://qpp.cms.gov/>.

While Other Payer Advanced APM determination requests for all Medicaid payment arrangements may **only** be submitted by State Medicaid Agencies (“States”), Managed Care Organizations (“MCOs”) (including entities such as prepaid health plans) may have important details of the information needed to complete the Payer Initiated Submission Form (the “Form”), as well as access to documentation that will need to be attached to the Form. The purpose of this document is to inform MCOs of the submission process, which will be conducted by the States, and to provide an outline to the States of the information they may need to collect from MCOs. Please use this document together with the:


- [Salesforce Portal](#)
- [All-Payer Advanced Alternative Payment Models \(APM\) Option](#)

Please note that in this guide, “payment arrangement” refers to payment arrangements between the MCO and APM Entities or eligible clinicians.

States must submit all requests between **January 1 and April 1** of the year prior to the relevant Qualifying APM Participant (QP) Performance Period (e.g., by April 1, 2020 for the 2021 QP Performance Period).

For a complete Form, the State will need explanations and documentation for the criteria specified below. States are required to be specific (e.g., include page numbers or document sections) when referring to supporting documentation. States are not required to upload separate documentation for each topic, but may do so if that is the most efficient manner in





which to submit information. If one contract covers all relevant information needed for CMS to make an Other Payer Advanced APM determination, a State only needs to submit that one contract. Each file can be up to 25MB in size. If there are multiple documents, or multiple excerpts of documents, they should be named logically so they can be referenced throughout the Form. For example, to support the requirement that at least 75 percent of participating eligible clinicians use Certified Electronic Health Record Technology (CEHRT), name the document where the requirement is specified “STATE_CONTRACT” or “ STATE_RISKMODEL” and provide page numbers. Document names can be up to 100 characters long.

Each different Medicaid payment arrangement (“payment arrangement”), even if operating in a single state, must be submitted through a separate Form with its own supporting documentation. Forms and supporting documentation will be submitted electronically by the State through the Salesforce portal. If the supporting documentation is publicly available (e.g., included in a State Plan Amendment (SPA) or Section 1115 demonstration waiver application), the State may provide a link to the online location of the document rather than uploading the PDF. Examples of relevant documentation include contracts, excerpts of contracts, and participant agreements.

The State will need to provide the following types of information, which are described in more detail in the sections below:

- Payment arrangement information (types of participants, availability, etc.)
- Information for Medicaid Medical Home Model determination (if applicable, including activities required by the payment arrangement)
- Information for Other Payer Advanced APM determination (quality measures, financial risk, etc.)


Payment Arrangement Information

Payment Arrangement Name

The State needs to submit the name of the payment arrangement. If there is potential uncertainty over the name, they need to include any terms that will help to identify it. Names or terminology that are used to refer to payment arrangements should be consistent across contracts where they are used. The purpose of this information is to allow CMS and eligible clinicians to correctly identify the payment arrangement when evaluating eligible clinicians’ participation in Other Payer Advanced APMs.

Payment Arrangement Participants

The State needs to list the type of clinicians that may participate in the Medicaid payment arrangement; examples might include primary care physicians, nurse practitioners, or hospitalists. They will also need to cite any limitations on the types of physicians or other practitioner specialties that may participate. The purpose of this information is to allow CMS to



identify the types of the eligible clinicians who could potentially become QPs, in part, through their participation in the payment arrangement.

Availability of Payment Arrangement

The State will need to list the counties where the payment arrangement is available, or else note that the payment arrangement is available statewide.

Other Lines of Business

If the same payment arrangement is available through other lines of business (such as Medicare Advantage or to a commercial payer), the payer may submit a separate Submission Form to request an Other Payer Advanced APM determination. The purpose of this information is for CMS to identify whether this payment arrangement is available through other payers outside of Medicaid. In such cases, CMS may be in contact with the MCO to verify the information.


Information for Medicaid Medical Home Model Determination

A Medicaid Medical Home Model¹ is a specific type of Medicaid payment arrangement that focuses specifically on primary care. In order to be an Other Payer Advanced APM, the Medicaid Medical Home Model must meet the same CEHRT and quality measure requirements as other Medicaid payment arrangements, but the financial risk requirements are slightly different.

In addition, a State may request that CMS determine whether a Medicaid payment arrangement is a Medicaid Medical Home Model by providing the following information in this section:

- The State will identify the physician specialty codes for all eligible clinicians who may participate in the payment arrangement. CMS will provide a list of physician specialty codes from which to choose in the electronic portal.
- The State will identify whether the payment arrangement requires that patients be assigned to individual clinicians (empanelment).
- The State will identify whether the payment arrangement requires at least 4 of the following 7 activities and explain/provide citations to supporting documentation for each reported activity:
 - Planned coordination of chronic and preventive care
 - Patient access and continuity of care
 - Risk-stratified care management
 - Coordination of care across the medical neighborhood
 - Patient and caregiver engagement
 - Shared decision-making

¹ The definition of Medicaid Medical Home Model is at 42 CFR § 414.1305.

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- Payment arrangements in addition to, or substituting for, fee-for-service payments (e.g. shared savings or population-based payments)
 - The State will respond to the following questions about financial risk:
 - Under the terms of the payment arrangement, does the failure of the entity to meet specific performance standards require any of the following actions?:
 - Payer (i.e., MCO) withholds payment for services,
 - Payer requires direct payments by the APM Entity,
 - Payer reduces payment rates, or
 - APM Entity loses the right to all or part of an otherwise guaranteed payment or payments
 - Please explain and provide citations to supporting documentation for any “Yes” responses. Please provide details about which actions are taken, how withholds and payments are triggered, and the specific amounts at risk.
 - Is the total amount an APM Entity (e.g., an ACO, or group practice) potentially owes or foregoes under the payment arrangement at least 5 percent of the APM Entity’s total revenue under the payer? If the answer is “Yes”, please explain how total revenue and the percentage potentially owed are calculated, and provide citations to documentation that supports the answer.
 - “Potentially owes or foregoes” refers to the consequences to the eligible clinician or APM Entity for failure to meet specific performance standards, and “total revenue” is the total combined revenue from the payer to providers and suppliers participating in the APM Entity.

CMS may determine that the payment arrangement is not a Medicaid Medical Home Model, but it could still be an Other Payer Advanced APM. Because of this, a State may also submit answers to the generally applicable financial risk standards that are discussed below.

Information for Other Payer Advanced APM Determination

Certified Electronic Health Record Technology (CEHRT)²

This section is applicable to all Medicaid payment arrangements

In order to be an Other Payer Advanced APM, a payment arrangement must require that at least 75 percent of participating eligible clinicians in each APM Entity use CEHRT.

The State will indicate whether this requirement is met and will provide a reference to the requirement in the supporting documentation (e.g., document name and relevant page numbers). Beginning in 2019, the 2015 Base EHR Edition will be required to meet this criterion.³

Quality Measures⁴

This section is applicable to all Medicaid payment arrangements

In order to be an Other Payer Advanced APM, the payment arrangement must meet particular quality measure requirements. In particular, the State will respond to the following questions about the quality measures used in the payment arrangement:

- Does the arrangement tie payment to one or more quality measures, at least one of which meets the following criteria?:
 - Any of the quality measures on the MIPS final list of measures, as described in § 414.1330
 - Quality measures endorsed by a “consensus-based entity” or
 - Any other quality measures that CMS determines to be evidence based and reliable and valid. (If so, please upload supporting documentation).
- Does the arrangement tie payment to an outcome measure that is on the MIPS quality measure list?
 - Provide the following information on at least one measure that is tied to payments. To be considered an Other Payer Advanced APM, the payment arrangement must include at least one outcome measure on the MIPS quality measure list and one quality measure that is MIPS-comparable. These may be the same measure if the outcome measure also has an evidence-based focus and is reliable and valid.
 - Measure title.
 - Outcome measure (Yes/No)?
 - How was this measure validated? Cite all relevant evidence and/or clinical practice guidelines in support of the measure.
 - National Quality Forum (NQF) number, if applicable.
 - MIPS measure identification number, if applicable.

² The CEHRT Other Payer Advanced APM criterion is located at 42 CFR § 414.1420(b).

³ For purposes of this Form, CEHRT is defined at 42 CFR § 414.1305.

⁴ The quality measure Other Payer Advanced APM criterion is at 42 CFR § 414.1420(c).

- Please explain and provide citations to supporting documentation to support the answer.
- If there is no applicable outcome measure, respond accordingly.⁵

An outcome measure assesses healthcare results experienced by patients. They include endpoints like well-being, ability to perform daily activities, or death. An intermediate outcome measure assesses a factor or short-term result that contributes to an ultimate outcome, such as having an appropriate cholesterol level.

Generally Applicable Financial Risk Standard⁶

Medicaid Medical Home Models are subject to a different Medicaid Medical Home Model Financial Risk Standard as discussed above. A State that has requested a payment arrangement determination as a Medicaid Medical Home Model may also submit information to support the Generally Applicable Financial Risk Standard to be considered an Other Payer Advanced APM. This assessment will be performed if CMS determines that the payment arrangement is not a Medicaid Medical Home Model.

States will respond to the following question pertaining to the Generally Applicable Financial Risk Standard for a determination as an Other Payer Advanced APM:

- If an APM Entity's actual expenditures are higher than expected expenditures, does the Medicaid payment arrangement state that at least one of the following happens?⁷ Please explain and provide citations to supporting documentation for each "Yes" response.
 - Payer (i.e., MCO) withholds payment for services
 - Payer reduces payment rates; or
 - Payer requires direct payment.
 - Expected expenditures refers to the beneficiary or patient expenditures for which an APM Entity is responsible during a specified period of time. For episode payment arrangements, episode expenditures refer to the episode target price.

Generally Applicable Nominal Amount Standard⁸


Medicaid Medical Home Models are subject to the Medicaid Medical Home Model Nominal Amount Standard, which is discussed above. A State that has requested a payment arrangement determination as a Medicaid Medical Home Model may also submit information to support the Generally Applicable Nominal Amount Standard. This assessment will be performed

⁵ Please note that if there is no available or applicable outcome measure on the MIPS measure list, the payer (in case the State) must certify that there is no available or applicable outcome measure on the MIPS measure list per 42 CFR § 414.1445(c)(3).

⁶ The generally applicable financial risk standard Other Payer Advanced APM criterion is located at 42 CFR § 414.1420(d)(1).

⁷ Please note that Medicaid managed care plans must comply with 42 CFR § 438.3(i) when designing and implementing physician incentive plans that put participating physicians at financial risk.

⁸ The generally applicable nominal amount standard Other Payer Advanced APM criterion is located at 42 CFR § 414.1420(d)(3).



if CMS determines that the Medicaid payment arrangement is not a Medicaid Medical Home Model.

The State will submit responses to the following questions regarding the Generally Applicable Nominal Amount Standard:

- Provide a detailed description of the payment arrangement's risk methodology. Please note that "payment arrangement" refers to the payment arrangement between the MCO and the APM Entity or eligible clinicians.
 - This description will include all information needed to explain the risk requirements in the payment arrangement, including risk rates, expenditures that are included in risk calculations, circumstances under which an APM Entity is required to repay or forego payment, and any other key components of the risk methodology, as well as citations to all relevant documentation in support of the description.
- Is the average marginal risk rate at least 30 percent? Marginal risk is the percentage of overage (the amount the actual expenditures exceed expected expenditures) for which an APM Entity is at risk. In other words, in the case where actual expenditures are higher than expected (higher than the benchmark), the APM Entity may only be liable for a percentage of the difference. The percentage for which they are liable is the marginal risk. If marginal risk is less than 30 percent but the average marginal risk is equal to or above 30 percent, describe and site the marginal risk amounts required if actual expenditures are higher than expected.
- Is the minimum loss rate no more than 4 percent? Describe and cite the minimum loss rate and any consequential action the payment arrangement requires.
 - In the case where actual expenditures are higher than expected, the APM Entity may not be subject to financial risk if the difference is small. The minimum loss rate is the percentage by which actual expenditures may exceed expected expenditures without triggering consequential actions (also called a risk corridor).
- Is the total amount at risk for the APM Entity at least 8 percent of the total revenue? Please support with explanations of how risk is defined in terms of revenue. Total revenue means the total combined revenue from the payer to providers and suppliers participating in the APM Entity.
- Is the total amount at risk for the APM Entity at least 3 percent of the expected expenditures for which an APM Entity is responsible under the payment arrangement? Expected expenditures means the patient expenditures for which an APM Entity is responsible under an APM. Please support with explanations of how expected expenditures are calculated.



Capitation⁹

The State will be asked to indicate whether the payment arrangement is a full capitation arrangement. Capitation is defined as a per capita or otherwise predetermined payment made for all items and services provided (typically per member per month). For purposes of the Other Payer Advanced APM determination, a capitation arrangement does not include a settlement to reconcile or share losses incurred or savings earned. Provide citations to any relevant documentation.

⁹ The regulation pertaining to capitation is located at 42 CFR § 414.1420(d)(7).