Testimony

Joint Medicaid Oversight Committee

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Paramount Health Care
November 17, 2016

Chairman Burke and members of the Joint Medicaid Oversight Committee, thank you for the opportunity to speak to you about the partnership that Paramount Health Care has with the Ohio Department of Medicaid (ODM). I am Jeff Martin, Vice President of Operations for Paramount's Medicaid health plan, Paramount Advantage. I appreciate your time as I take a few minutes to provide an overview of Paramount Advantage and our commitment to serving Medicaid recipients in Ohio.

Paramount Health Care is a unique partner in that we are one of three provider sponsored health plans in Ohio; and the only provider sponsored Medicaid Plan. As a wholly-owned entity of ProMedica Health System, Paramount has a health care delivery system that incorporates both the delivery of health care services and health insurance. ProMedica and Paramount work collaboratively to set and achieve goals that drive efficiencies, reduce cost, and optimize health outcomes.

- Some other facts about Paramount Advantage that we are very proud of include: Paramount Advantage has been a partner in Ohio's Medicaid Managed Care Program since 1993 and has consistently retained some of the highest overall member satisfaction ratings in Ohio since 1995.

- Paramount Advantage has maintained continuous accreditation from the National Committee for Quality Assurance (NCQA) – since 2000.

- In SFY 2016 Paramount Advantage received the highest score for four of the seven ODM Pay for Performance (P4P) measures and the second highest score for two others.

Over the years, we have challenged ourselves to continue to build on this foundation of excellence. In 2013 Paramount Advantage was selected by the State to be one of five statewide partners in Ohio's new Medicaid Program. While we maintain our roots as a local company in northwest Ohio, Paramount has made significant investments throughout the State. We have taken the strength of our unique business model and built a Medicaid managed care network across Ohio to deliver high quality health care services, and to produce great health outcomes for all Medicaid recipients. Currently, Paramount Advantage contracts with over 50,000 providers and serves 230,000 Medicaid consumers statewide.

Today I would like to share information with you on Paramount Advantage's progress towards value based contracting, provider and consumer engagement, and related challenges.

1. Percentage of value based contracts.

At a macro level, one could argue that 100% of Paramount Advantage's population is provider incentive based given that it is a wholly-owned entity of ProMedica. Setting that view aside, 122,000 (53%) of our membership exists within the ProMedica footprint in Northwest Ohio. In calendar year 2015, payments to our ProMedica partners represented 17% of Paramount Advantage's total Medicaid medical spend. From an enrollment perspective, nearly 30,000 of our Medicaid members are assigned to a ProMedica primary care physician.

Beyond the ProMedica affiliation, Paramount Advantage has a variety of value-based payment arrangements with several other provider-partners throughout the State of Ohio. Most notably are the "full-risk" arrangements with Nationwide Childrens' Hospital (PFK) and Cincinnati Childrens' hospital (HNCC). PFK assumes full risk for 11,000 children in the 34 counties of Central and Southeast Ohio. Similarly, HNCC assumes full risk for 9,500 children in an eight-county area surrounding Cincinnati. More than 10% of Paramount's medical spend in 2015 related to this membership.

Whether computed by enrollment or medical expense spend, Paramount Advantage currently has between 30% to 40% of its non-pharmacy medical expense tied to a value-based incentive arrangement. Our participation in the State SIM initiatives – Episodes and CPC – will certainly drive this figure much higher. The provider community has been much more supportive of the shift to value-based payment models within the past year. Paramount is at various stages of discussion with most of the large Health Systems, the FQHC coalition and several large practices. Paramount believes that it is on target to achieve the 50% State mandate by the year 2020.

2. What is your plan doing to assist providers and consumers through this transition?

<u>Tying Provider Payments to ODM Pay-for Performance Outcomes</u>

7 Day Follow-up after a Mental Health Hospitalization

Prompt and effective follow-up care after a mental health in-patient stay is critical to a successful transition from hospital to home. To increase the number of members who received necessary follow-up in the crucial first week after behavioral health discharge, Paramount Advantage partnered with ProMedica Home Care in 2014 to develop a Home Visit Program.

For each post discharge visit completed within seven days of discharge, participating providers receive an incentive payment, over and above the billed charges for the visit. Since implementing in 2014, agreements have been entered into with seven of the highest volume behavioral health providers for Paramount Advantage members which has resulted in a significant increase in seven-day follow-up visits after a mental health hospitalization. Paramount Advantage has gone from the lowest performer on this P4P measure to the highest (tied for first) in SFY 2016.

Member Incentives

Paramount Advantage offers member incentives through its Prenatal to Cradle (PTC) program by promoting the importance of getting recommended early and regular prenatal and postpartum care. The PTC program has been instrumental in helping Paramount Advantage achieve some of the highest P4P results for prenatal/postpartum care.

Additionally, Paramount Advantage has launched a wellness initiative with the Cleveland Browns called Dawg Pound Healthy Rewards. The Program incentivizes members to establish a relationship with a primary care physician, get an annual well visit and then register to be eligible for great prizes from the Cleveland Browns (e.g., game tickets, suite experience, autographed jersey's etc.). The Program is also being promoted and supported by our primary care provider network.

3. What barriers do you face and how can those be eliminated?

The inability to administer accurate and timely data to providers has, quite often, been a universal issue for the health plan industry. For providers to change their behavior they must have access to meaningful, relevant, and timely data; without this, providers will be unable to intricately understand their current, or most relevant, scope of performance. Understandably, there are industry causes that will inhibit complete 'real-time' data exchange between relevant stakeholders. However, there are also areas, relative to data exchange, that are more controllable.

In the healthcare industry, data can vary tremendously from one organization to the next. Moreover, data may be stored in different formats using distinct database systems and information models. Simply stated - the lack of standardization in this industry is a barrier for timely data exchange. If we, as an industry, worked collaboratively in developing file specifications that will remain standardized, it may decrease existing data exchange lag, which will subsequently lead to a more rapid turn-around to releasing relevant data to providers. It is important to understand that even the smallest change in a file specification could result in weeks of delays, as plans perform reconfiguration in their system.

Paramount Advantage is a committed partner and is privileged to be part of the improvements being made to improve the health and enhance the lives of thousands of Ohioans. We are confident that we will fulfill our mission to improve the health and well- being of our members.

Thank you for this opportunity and I will be happy to answer any questions you may have.