NEW JERSEY
DEPARTMENT
OF HUMAN SERVICES

NJ FamilyCare’s Perinatal Episode of Care Pilot
Introduction
December 2021
Today’s speakers

- Greg Woods, DHS-DMAHS Chief Innovation Officer
- Shin-Yi Lin, DHS-DMAHS Policy Office
- Jon Tew, DHS-DMAHS Office of Medicaid Innovation
- Pam Orton, DHS-DMAHS Office of Medicaid Innovation

Episode of Care email: mahs.maternityepisode@dhs.nj.gov

Episode of Care webpage: https://www.state.nj.us/humanservices/dmahs/info/perinataleepisode.html
What you will learn today

- What is an episode of care?
- Why is NJ FamilyCare running a perinatal episode of care pilot?
- How will the NJ FamilyCare perinatal episode of care pilot work?
- As an obstetrical practice, what could I gain by participating in this pilot?
- As an obstetrical practice that wants to participate, what are the key dates and key program features I need to know about?
- There will be time for Q&A at the end of the presentation.
What is a perinatal episode of care, and why is NJ FamilyCare piloting one?

PART 1
What is an episode of care?

• An **episode** defines a set of services associated with a patient’s clinical condition (in our case, services around a birth event).

• A single billing provider (in our case, this would be an obstetrical practice) is held **accountable** for care within that episode.
  – “Care” is defined both by **quality** outcomes (metrics) and **spend** (cost of care).

• In exchange for taking on this responsibility, the provider becomes eligible for **financial incentives**.
Why is NJ FamilyCare launching an episode pilot?

Nurture New Jersey is a statewide effort to make NJ the safest and most equitable place in the nation to give birth and raise a baby.

- We are in a time of innovation and focused energy around addressing these issues.

The **perinatal episode of care** is one of these maternal health initiatives.

- Legislation was enacted in 2019 to conduct this pilot.
- Steering Committee, which included obstetrical clinicians, met to provide recommendations to the state on pilot design.
Quality of perinatal care varies across providers

SOURCE: Analysis of NJ Medicaid claims data 2016-18: perinatal episodes ending 2018 (MCO and FFS)
Cost of perinatal care varies across providers

SOURCE: Analysis of NJ Medicaid claims data 2016-18: perinatal episodes ending 2018 (MCO and FFS)
How can an episode improve maternity care?

- Participation Requirements
- Provider Reports
- Financial Incentives

Improved Maternity Care
How will NJ FamilyCare’s perinatal episode pilot work?

PART 2
For more information

• **Episode of Care** webpage: https://www.state.nj.us/humanservices/dmahs/info/perinataleepisode.html
  – See *Performance Period 1 Guide for Participating Providers*

• **Episode of Care** email: mahs.maternityepisode@dhs.nj.gov
Goals of the Perinatal Episode Pilot

Improve quality of perinatal care, while building a financially sustainable model

Reduce racial disparities

Expand continuum of care

Promote comprehensive care coordination
Pilot is voluntary

• For Performance Period 1, providers must submit a Letter of Intent, followed by a binding Participation Agreement, in order to participate and be eligible for financial incentives.

• The program details can change between Performance Periods, but we will tell you of changes in advance so you can decide if you want to continue to participate.

<table>
<thead>
<tr>
<th>Performance Period</th>
<th>Time period</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Period 1</td>
<td>April 1, 2022—June 30, 2023</td>
<td>This is a longer 15 month performance period, which gives you more time to learn about the program.</td>
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<tr>
<td>Period 2</td>
<td>July 1, 2023—June 30, 2024</td>
<td></td>
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<tr>
<td>Period 3</td>
<td>July 1, 2024—June 30, 2025</td>
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</table>
Who is eligible to participate?

• Obstetrical practice participating in NJ FamilyCare managed care.
  – May include both physicians and midwives

• FQHCs can participate in partnership with another eligible provider.

• Must have 15 eligible NJ FamilyCare births during Performance Period 1 to earn incentives.
Which births are included in the episode?

• Most births covered by a NJ FamilyCare Managed Care Organization during the Performance Period are included in the episode.
  – The relatively small number of births that NJ FamilyCare pays for directly (fee-for-service) are excluded.
  – A small number of births will be excluded from the episode for clinical reasons – e.g. patient has an AIDS diagnosis
  – A small number of births will be excluded from the episode for business reasons – e.g. patient has other health insurance in addition to NJ FamilyCare.

• Providers may be responsible for births for which they provide prenatal care or delivery services (or both).
Which services are included in the episode?

- NJ FamilyCare-covered services delivered from 9 months before birth through 60 days after birth are included.
  - Includes physician services, inpatient and outpatient hospital (including emergency department visits), imaging, labs, and prescription drugs.
  - Includes services delivered by the episode participant and services delivered by other providers
- Services unrelated to pregnancy are generally excluded.
- Services provided to the infant do not count towards episode cost-of-care, but do contribute to quality-of-care assessment.
How is your episode performance determined?

• You will be judged on **quality-of-care (quality)** and **cost-of-care (spend) performance**.

• Episode performance will be calculated exclusively from reimbursed NJ FamilyCare claims data.
  – Performance is not assessed until several months after Performance Period 1 ends, so that all relevant claims are included.

• Performance Period 1 will judge your performance on your episodes that end between April 1, 2022-June 30, 2023.
  – All of your NJ FamilyCare episodes will be judged together, across all MCOs
How is your episode quality calculated?

- For all your episodes in Performance Period 1, your performance on five quality metrics will be calculated.

- You will be judged based on whether you pass two levels of performance: minimum and commendable.

- Provider reports will also include:
  - Reporting-only quality metrics to support quality improvement
  - Breakdown of quality metric performance based on the race/ethnicity of the patient

<table>
<thead>
<tr>
<th>Metric</th>
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<tbody>
<tr>
<td>01 Prenatal depression screening</td>
</tr>
<tr>
<td>02 Gestational diabetes screening</td>
</tr>
<tr>
<td>03 Delivery mode (Vaginal delivery for low-risk births)</td>
</tr>
<tr>
<td>04 Postpartum clinical visit within 3 weeks</td>
</tr>
<tr>
<td>05 Neonatal visit within 5 days</td>
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</tbody>
</table>
How is your episode spend calculated?

• Cost-of-care (spend) is assessed several months after the Performance Period ends, to ensure all relevant claims are included.

• For each episode / birth, total NJ FamilyCare cost-of-care is calculated.
  – Includes all payments to all providers / suppliers for services included in the episode

• Total cost-of-care is then “risk adjusted”
  – This statistical step controls for the fact that some births are more medically complex than others and are therefore expected to cost more.

• “Risk adjusted” cost-of-care is then averaged across all births for which the participating practice is responsible during the Performance Period.
Performance Period 1 Financial Incentives

**Shared Savings**
- Incentivizes reductions in episode cost-of-care and improvements in episode quality

**High Performer Bonus**
- Rewards strong absolute performance in episode quality and cost-of-care

**Substance Use Disorder (SUD) Participation Incentive**
- Incentivizes providers with high percentage of patients with SUD to participate
Shared Savings

Acceptable Performance on all 5 Quality Measures + Reduced Expenditures Relative to Pre-Episode Baseline • Baseline based on individual provider's historic performance = Shared Savings • Provider earns back part of savings to NJ FamilyCare from reduced spend
High Performer Bonus

- Acceptable Performance on all 5 Quality Measures
- Excellent Performance on 2 Quality Measures
- Expenditures Below Statewide Median

High Performer Bonus

• Provider earns share of statewide pool for high performers
SUD Participation Incentive

Percentage of patients the provider treats with SUD is in top 20% statewide

Provider participates in episode

SUD Participation Incentive
- Provider receives share of statewide pool to encourage participation
What quality improvement activities must you do?

<table>
<thead>
<tr>
<th>Participant Requirement</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Participate in a multidisciplinary review of clinical outcomes that includes, at minimum, C-section review</td>
<td>Standardized template will be provided.</td>
</tr>
<tr>
<td>02 Create a health equity plan to address the racial health disparities identified in their provider reports</td>
<td>Standardized template will be provided.</td>
</tr>
<tr>
<td>03 Participate in New Jersey Health Information Network</td>
<td>Only the minimum use case of Admission, Discharge, and Transfer is required.</td>
</tr>
<tr>
<td>04 Upon request: Participation, as appropriate, in case study-based research projects</td>
<td>These projects are meant to determine how a patient’s experience of care relates to successful performance in the pilot.</td>
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</table>
How will you receive Provider Reports?

- Reports will be available through the PRA|SPECT portal.
  - Same portal used for Perinatal Risk Assessment PRA Plus Form

- To help you decide to participate, NJ FamilyCare providers will receive an informational Pilot Launch Report in December 2021.

- If you do participate, you will receive Interim Reports throughout Performance Period 1 (to give feedback on your ongoing progress) and your Final Performance Report in 2024.
Why should I participate in the NJ FamilyCare perinatal episode pilot?

PART 3
Why participate in Performance Period 1?

- You will be helping to launch an innovative, new program to improve maternity care.
- You will have the longest period of time (15 months) to learn to succeed within a single Performance Period.
- There is no financial risk and you have the potential to earn three financial incentives.
- You will gain access to data about how your performance has changed over time, and how you compare to your NJ FamilyCare peers.
Feature: Will not disrupt your day-to-day operations

- Participation in the pilot will not change your current process for how you are reimbursed.
- Official determination of your performance, and of any financial incentive payments, will be done after the Performance Period is over.

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<tr>
<th>Performance Period</th>
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<th>Final Report and Financial reconciliation</th>
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<tbody>
<tr>
<td>Period 1</td>
<td>April 1, 2022- June 30, 2023</td>
<td>In 2024</td>
</tr>
<tr>
<td>Period 2</td>
<td>July 1, 2023- June 30, 2024</td>
<td>In 2025</td>
</tr>
<tr>
<td>Period 3</td>
<td>July 1, 2024- June 30, 2025</td>
<td>In 2026</td>
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Feature: Consistency across NJ FamilyCare

- Statewide pilot has single set of incentives for participating providers.
- Your thresholds and benchmarks for quality-of-care and cost-of-care performance, and participation requirements, are the same regardless of which MCO you contract with.
- Performance on all of your episodes will be judged together, collectively across all MCO payers.
Feature: Comparable “apples-to-apples” assessment

To support fair comparisons across providers:
• Includes managed care episodes only
• Includes only maternal spend in cost-of-care calculation
• Includes risk-adjustment for cost-of-care calculation
• Excludes some high-value, high-cost care in cost-of-care calculation (e.g. community doula care, non-emergency transportation)
• Excludes episodes for patients with unusually complex clinical diagnoses (e.g. AIDS) or business reasons like the member having other health care coverage.
• Minimum episode volume requirement makes sure we can meaningfully assess your performance
What are the next steps if I want to participate in the perinatal episode pilot?

PART 4
## Performance Period 1: Key dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td><strong>December 2021</strong></td>
<td>Webinars on Performance Period 1</td>
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<tr>
<td></td>
<td><strong>See Key Dates document on website for webinar registration links</strong></td>
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<tr>
<td></td>
<td><em>Next informational webinars with Q&amp;A:</em></td>
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<tr>
<td></td>
<td>- Wed 12/15 12-1pm</td>
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<td></td>
<td>- Wed 1/5 8-9am</td>
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<tr>
<td></td>
<td>- Q&amp;A only: Fri 1/7 12-1pm</td>
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<tr>
<td><strong>December 2021</strong></td>
<td>Informational Pilot Launch Report will be released via PRA</td>
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<tr>
<td></td>
<td>Pilot Launch Report Webinar: Mon 12/20 12-1pm</td>
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<tr>
<td><strong>January 21, 2022</strong></td>
<td><strong>Non-binding Performance Period 1 Letter of Intent due</strong></td>
</tr>
<tr>
<td><strong>March 1, 2022</strong></td>
<td>Binding Performance Period 1 Participation Agreement due</td>
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<tr>
<td><strong>April 1, 2022</strong></td>
<td>Performance Period 1 BEGINS</td>
</tr>
<tr>
<td><strong>June 30, 2023</strong></td>
<td>Performance Period 1 ENDS</td>
</tr>
<tr>
<td><strong>In 2024</strong></td>
<td>Performance Period 1 Final Performance Report and Episode Payment Distribution</td>
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</table>
Q&A period

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  https://www.state.nj.us/humanservices/dmahs/info/perinatalepisode.html  
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