



NEW JERSEY DEPARTMENT OF HUMAN SERVICES

NJ FamilyCare's Perinatal Episode of Care Pilot Introduction

December 2021

Today's speakers

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

Episode of Care webpage:

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

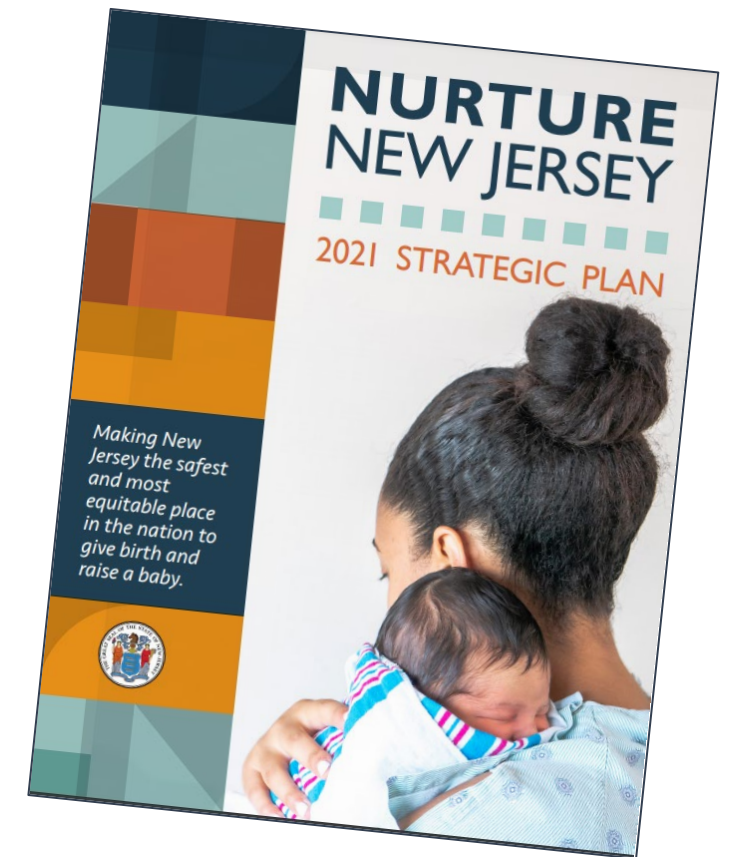
Why is NJ FamilyCare launching an episode pilot?

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.

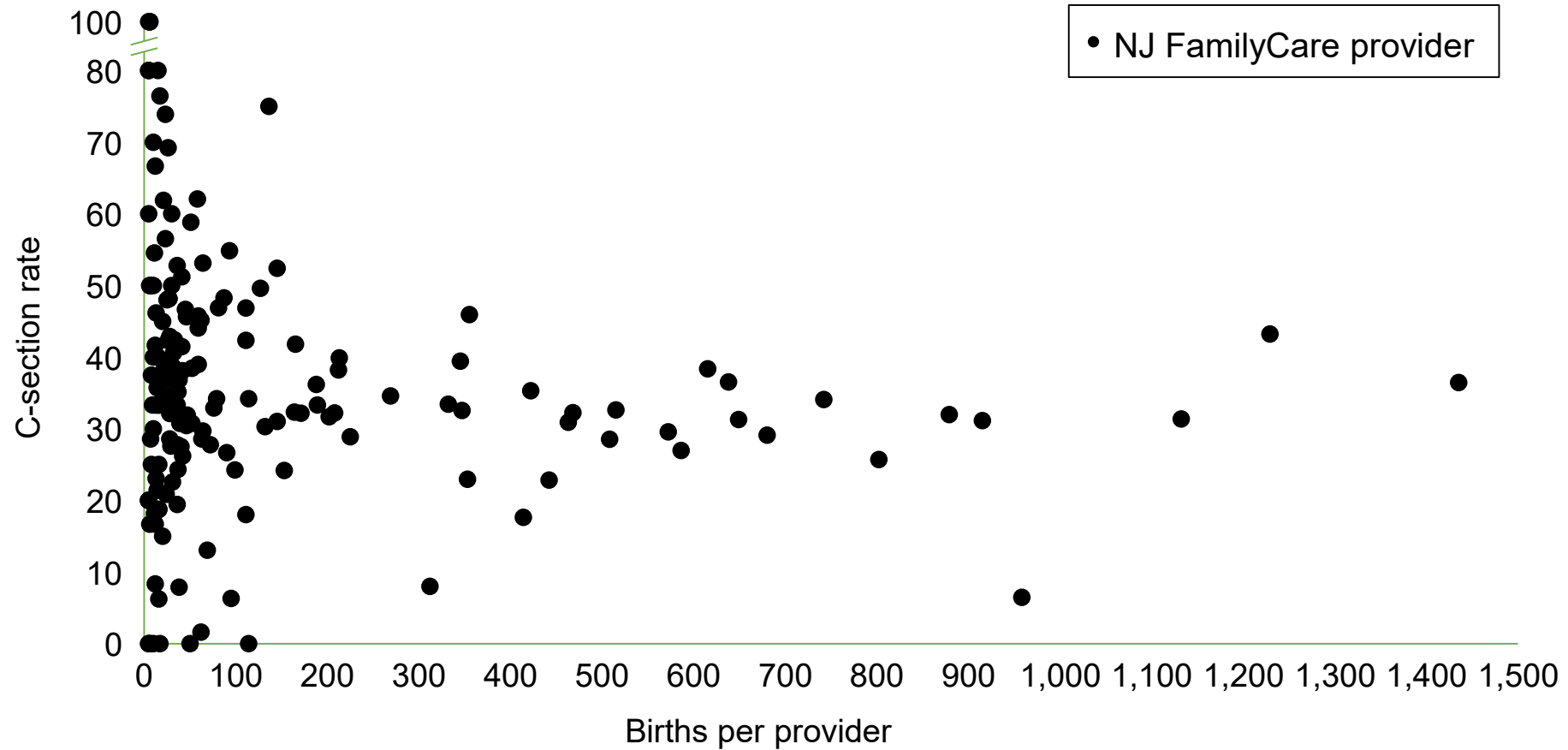
- We are in a time of innovation and focused energy around addressing these issues.

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

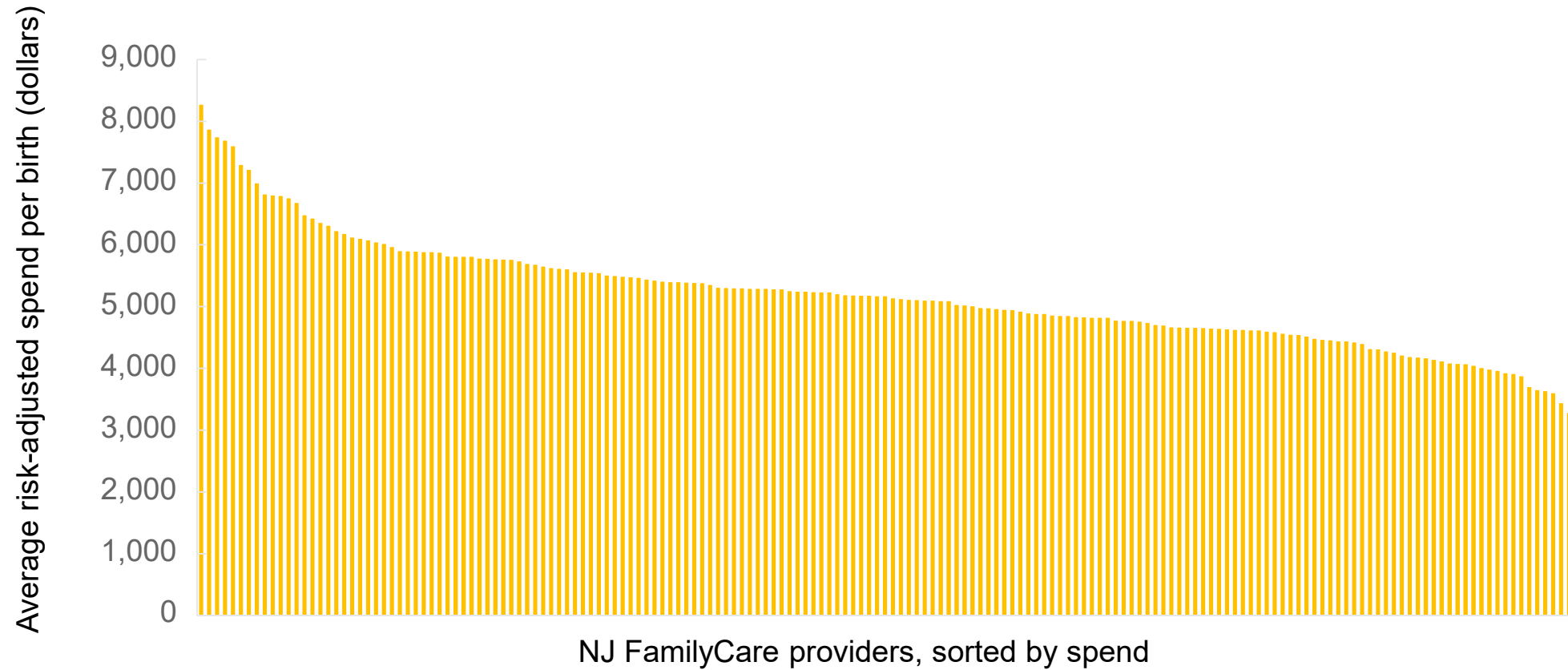
- Legislation was enacted in 2019 to conduct this pilot.
- Steering Committee, which included obstetrical clinicians, met to provide recommendations to the state on pilot design.



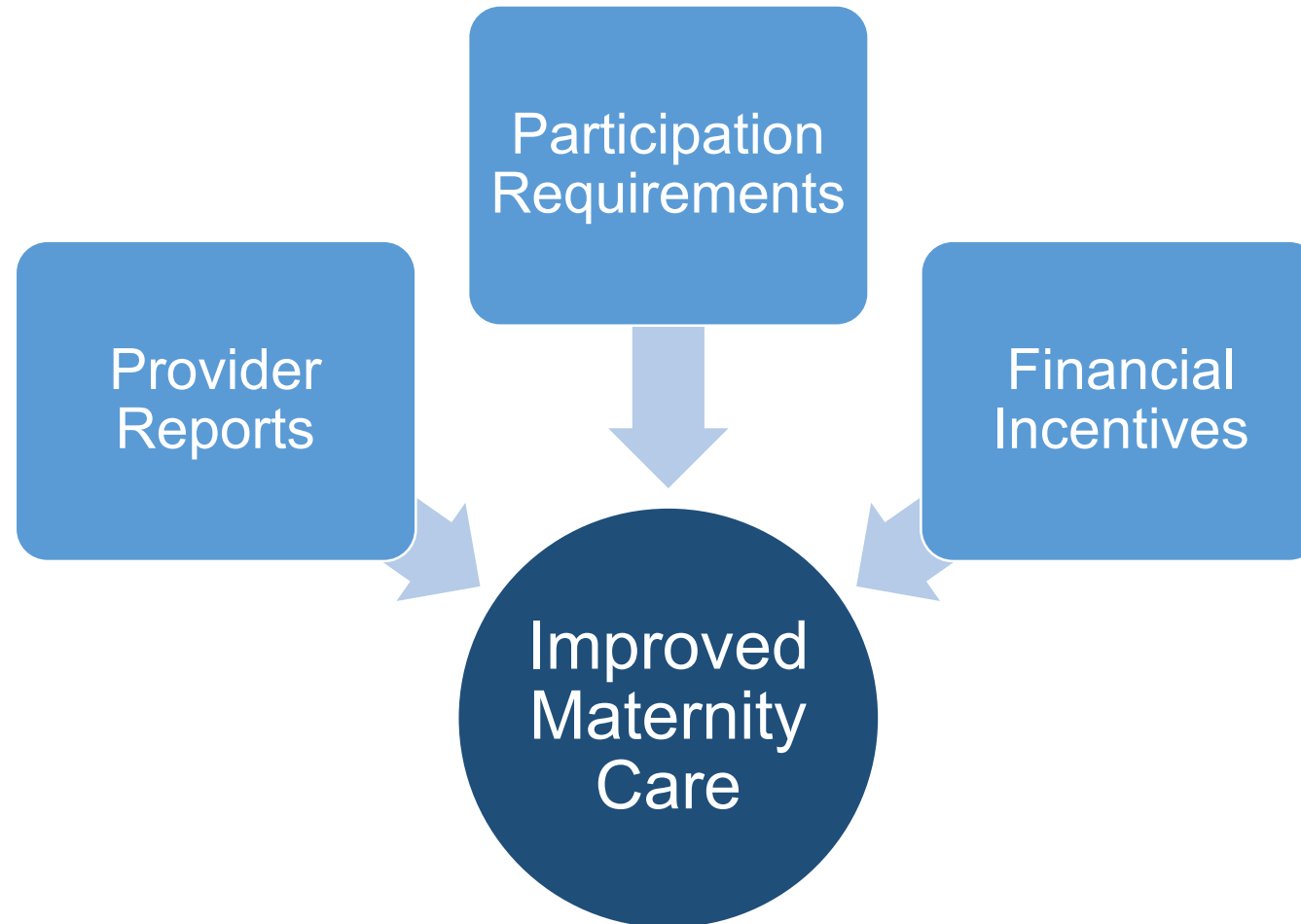
Quality of perinatal care varies across providers



Cost of perinatal care varies across providers



How can an episode improve 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/perinatalepisode.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.

Performance Period	Time period	
Period 1	April 1, 2022— June 30, 2023	This is a longer 15 month performance period, which gives you more time to learn about the program.
Period 2	July 1, 2023— June 30, 2024	
Period 3	July 1, 2024— June 30, 2025	

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

Metric
01 Prenatal depression screening
02 Gestational diabetes screening
03 Delivery mode (Vaginal delivery for low-risk births)
04 Postpartum clinical visit within 3 weeks
05 Neonatal visit within 5 days

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

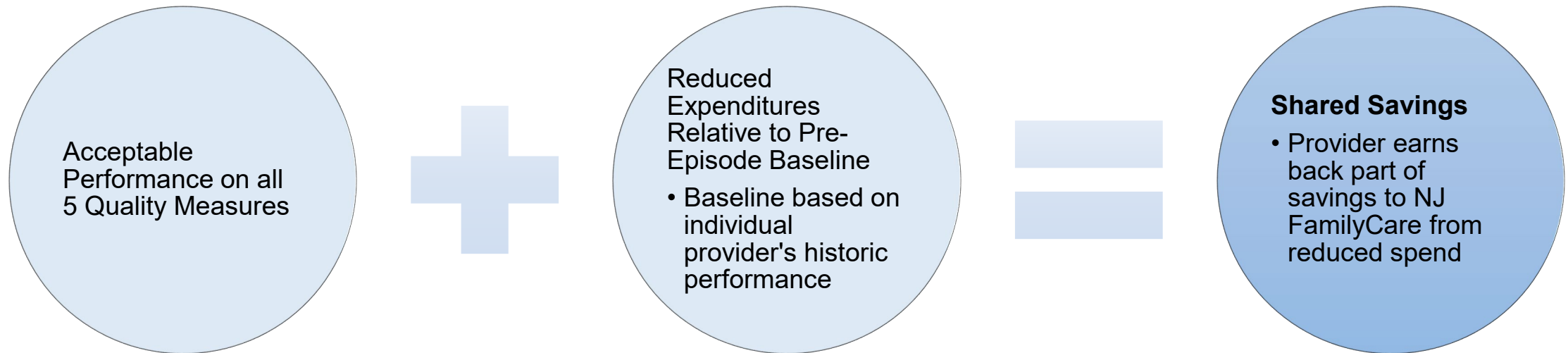
High Performer Bonus

- Rewards strong absolute performance in episode quality and cost-of-care

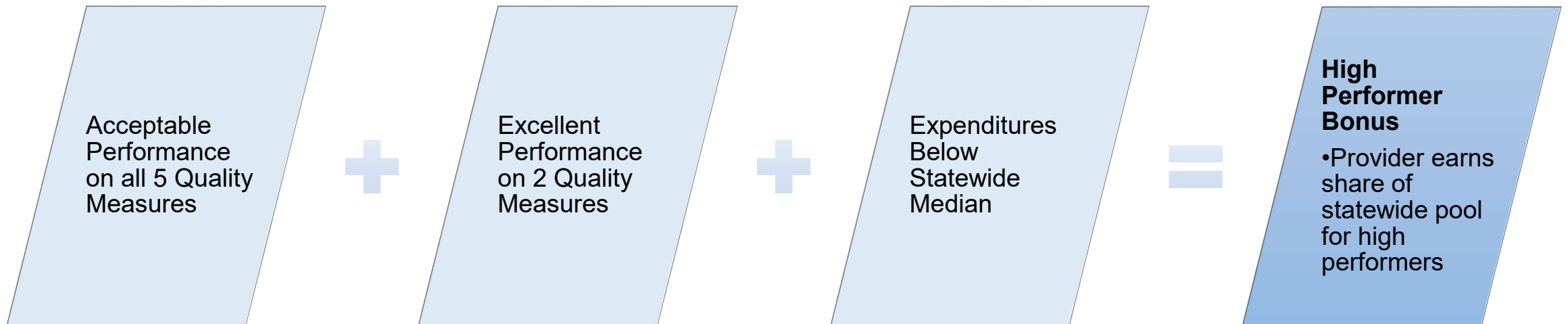
Substance Use Disorder (SUD) Participation Incentive

- Incentivizes providers with high percentage of patients with SUD to participate

Shared Savings



High Performer Bonus

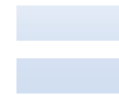


SUD Participation Incentive

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?

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

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.

Information for payment incentives Fall 2022 report: Episodes ending Q1-Q2 2022

What do I need to do to qualify for the Shared Savings and High Performer bonus?

Quality metrics linked to payment - 28 Included Episodes

Quality metric	Value	Minimum	Commendable
Behavioral Health screening	75%	✓	✓
Gestational Diabetes	35%	✓	✗
Delivery mode	35%	✓	✗
Post-partum visit within 3 weeks	52%	✓	✗
Neonatal visit within 5 days	33%	✓	✗
Total	-	5	1

Shared Savings: You pass the minimum threshold for all five quality metrics

High performer: You **DO NOT YET** pass commendable threshold for at least 2 quality metrics
You pass the minimum threshold for all five quality metrics

Episode spend - 28 Included Episodes

Legend: Below benchmark (Blue), Within corridor (Light Blue), Above benchmark (Grey)

Shared Savings: Your average risk-adjusted spend per episode is more than 3% below 2019 spend (benchmark year)

High performer: You have lower episode spend when compared to peers (than the median)

See a detailed version on page 9 and historical performance see page 7

Episode volume - 28 Included Episodes

Shared Savings: You have at least 15 included episodes in the current performance period

High performer: You have at least 15 included episodes in the current performance period

Total eligibility: ⚠ This report is informational only. Eligibility for incentives will be determined at the end of the performance period.

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.

Performance Period	Time period	Final Report and Financial reconciliation
Period 1	April 1, 2022- June 30, 2023	In 2024
Period 2	July 1, 2023- June 30, 2024	In 2025
Period 3	July 1, 2024- June 30, 2025	In 2026

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

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

Q&A period

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