

PACE Innovation Act Request for Information Data Supplement

Agency: Department of Health and Human Services
Centers for Medicare & Medicaid Services (CMS)

Type of Notice: Data Supplement to Request for Information (RFI)

The memorandum and data spreadsheets prepared by Actuarial Research Corporation under contract with CMS are provided as a supplement to the PACE Innovation Act Request for Information (RFI) released on December 23, 2016¹.

The documents contain data and analysis on potential adjustments to capitation rates for Medicare Parts A and B services (“acuity adjustment”) referred to in a description of a potential payment methodology for the potential Person Centered Community Care (P3C) model discussed in the RFI. The data and analysis in this RFI Data Supplement are based on the P3C eligibility criteria as described in the RFI, including the diagnostic criteria in Appendix A, and the Medicare payment methodology described as Option 1 in the RFI. However, CMS has made no decision on the testing of the P3C model described in the RFI, or on limiting the potential eligibility criteria or using the payment methodologies described in the RFI. As we noted in the RFI, the parameters of the P3C model may change, or CMS may ultimately decline to conduct the model test, at CMS’ sole discretion.

CMS seeks comment on the data and analysis in this RFI Data Supplement from all interested parties. We seek input on alternate approaches for determining the acuity adjustment and in particular the relative merits of a potential state-wide acuity adjustment or a potential county-based adjustment described in the memorandum and illustrated in the data sets. We are particularly interested in data showing whether or not the adjustment to Medicare rates under the alternative acuity adjustments, would be viable for potential P3C organizations seeking to serve the P3C-eligible population. We caution that the data presented do not represent final rates for a potential P3C model, which, if implemented under either of the acuity adjustment methodologies described, or an alternative methodology, would be based on more current data and could include additional refinements to improve accuracy. Commenters should provide the name of their organization and a contact person, mailing address, email address, and phone number, and indicate whether the commenter is a current PACE organization, other provider type, state Medicaid agency, other state agency, advocacy organization, or other entity. Comments may be made public, so commenters should not include any confidential or proprietary information that they do not want made available to the public.

We note that the data included in this supplement is meant to provide an assessment of the potential costs of providing care to a focused subset of the Medicare population – the population described in the eligibility criteria in the original RFI released in December. As a focused subset of the Medicare population, the cost patterns among this population are not necessarily representative of the larger Medicare population, or even of the population of beneficiaries who

¹ <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/PACEInnovationAct.html>

are eligible for both Medicare and Medicaid. The methodology used to pay Medicare Advantage plans – both the capitation rates and the risk adjustment model – are developed based on statutory provisions that take into account the entire Medicare population, and are suitable for plans that enroll a reasonably representative population. In focusing on a highly specialized population in the P3C model, we wish to leverage the existing payment methodology, since it is an existing, mature system with which many plans are familiar, and will allow CMS to focus on testing a new delivery system approach.

While we recognize that the Medicare Advantage payment methodology is not intended to pay for small focused subpopulations, we believe, with appropriate adjustments such as those described here, the methodology can serve as the basis for capitated payments for organizations serving these subpopulations and allow us to potentially develop new arrangements that improve service delivery for these individuals. Therefore, we are considering using the current payment system as a platform for this model, with adjustments as needed to assure adequate payment for this focused population.

COMMENT DATE: To be assured consideration, comments must be received by 5 p.m. EST on August 15, 2017.

ADDRESS: Comments should be submitted electronically in pdf form to MMCOcapsmodel@cms.hhs.gov. Please identify the organization or individual submitting comments in the title of the document and put “RFI Data Supplement” in the subject line.

FOR FURTHER INFORMATION CONTACT: paul.precht@cms.hhs.gov

SPECIAL NOTE TO RESPONDENTS: Whenever possible, respondents are asked to draw their responses from objective, empirical, and actionable evidence and to cite this evidence within their responses.

THIS IS A REQUEST FOR INFORMATION (RFI) ONLY. This RFI (including the RFI Data Supplement that is part of the RFI) is issued solely for information and planning purposes; it does not constitute a Request for Proposal, applications, proposal abstracts, or quotations. This RFI does not commit the Government to contract for any supplies or services or make a grant award. Further, CMS is not seeking proposals through this RFI and will not accept unsolicited proposals. Responders are advised that the U.S. Government will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the interested party’s expense. Not responding to this RFI does not preclude participation in any future procurement, if conducted. It is the responsibility of the potential responders to monitor this RFI announcement for additional information pertaining to this request. Please note that CMS will not respond to questions about the policy issues raised in this RFI. CMS may or may not choose to contact individual responders. Such communications would only serve to further clarify written responses. Contractor support personnel may be used to review RFI responses. Responses to this notice are not offers and cannot be accepted by the Government to form a binding contract or issue a grant. Information obtained as a result of this RFI may be used by the Government for program planning on a non-attribution basis. Respondents should not include any information that might be considered proprietary or

confidential. This RFI should not be construed as a commitment or authorization to incur cost for which reimbursement would be required or sought. All submissions become Government property and will not be returned. CMS may publicly post the comments received, or a summary thereof.