



Request for Information

YH21-0051 Differential Adjusted Payment Strategies

Procurement Officer:

ISSUE DATE: 11/02/2020

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RFI NAME: Differential Adjusted Payment Strategies

RESPONSE DUE DATE: December 4, 2020 no later than 3:00 pm AZ time

QUESTIONS CONCERNING THIS RFI SHALL BE SUBMITTED TO THE PROCUREMENT OFFICER VIA E-MAIL BY **November 16, 2020** 5:00 PM ARIZONA TIME ON THE Q &A FORM PROVIDED WITH THIS RFI. ANSWERS TO QUESTIONS WILL BE POSTED ON THE AHCCCS WEBSITE FOR THE BENEFIT OF ALL POTENTIAL RESPONDENTS.

Responses to this RFI must be in the actual possession of AHCCCS on or prior to the time and date indicated above.

This is a Request for Information (“RFI”) only and as such will NOT result in any award of contract.

AHCCCS is in the information gathering stage and no decisions have been made concerning the agency’s intent to issue a formal Request for Proposal. Responding to this RFI is appreciated and will NOT prohibit the respondents from responding to any future procurements.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the person responsible for this request as identified below.

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1. OVERVIEW

AHCCCS is the single state Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services. As of October 1, 2020, AHCCCS provides coverage to over 2.0 million members in Arizona. Arizona's Medicaid program has been delivered primarily as a managed care program with a relatively small residual, fee-for-service (FFS) component. Additional information may be found on the AHCCCS website reporting page: <https://azahcccs.gov/Resources/Reports/population.html>.

Over 85% of the AHCCCS program's expenditures in SFY 2019 were through managed care programs. AHCCCS contracts with Managed Care Organizations (MCOs) that are responsible for providing Acute, Long Term Care, and Behavioral Health Services. A list of contracted plans can be found here: <https://azweb.statemedicaid.us/HealthPlanLinksNet/HPLinks.aspx>

The program has a total fund budget for SFY 2021 of approximately \$14.0 billion. AHCCCS has over 98,000 active providers in Arizona, such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies and transportation entities. Additional information may be found on the AHCCCS website reporting page: <https://wwwazahcccs.gov/Resources/Reports/federal.html>

2. PURPOSE of RFI and Background

AHCCCS is soliciting input from stakeholders to inform the development and implementation of its Differential Adjusted Payment (DAP) reimbursement strategies for Contract Year Ending (CYE) 2022 and CYE 2023.

2.1. Background

In previous years, AHCCCS has sought public comment on DAP activities as reflected in the following documents:

- CYE 2018 Proposal:
 - https://wwwazahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/ValueBasedPaymentPublicCommentProposal_011317.pdf
 - <https://wwwazahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/ValueBasedPaymentPublicComment.pdf>
- CYE 2019 Proposal:
 - https://wwwazahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DifferentialAdjustedPaymentDAP_20181001.pdf
 - https://wwwazahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DifferentialAdjustedPayment_DAP_20181001_FinalNotice.pdf
- CYE 2020 Proposal:
 - https://wwwazahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAPPreliminaryNotice_CYE2020.pdf

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- https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/FinalNoticeOfPublicInformationDifferentialAdjustedPaymentsEffectiveOctober_1_2019-September_30_2020_DatesOfService.pdf
- CYE 2021 Proposal:
 - https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Preliminary_Note_CYE2021.pdf
 - https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/DAP_Final_Note_CYE2021_Revised_09282020.pdf

As a component of AHCCCS Value Based Purchasing (VBP) activities, and in alignment with the [AHCCCS Quality Strategy](#), select AHCCCS-registered Arizona providers which meet agency established performance criteria receive DAP rate increases. AHCCCS has implemented DAP to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available at least to the extent that such care and services are available to the general population in the geographic area.

AHCCCS has previously implemented DAP for the following providers:

- Hospitals Subject to APR-DRG Reimbursement
- IHS/638 Tribally Owned and/or Operated Facilities
- Critical Access Hospitals
- Other Hospital and Inpatient Facilities
- Nursing Facilities
- Integrated Clinics
- Behavioral Health Outpatient Clinics
- Physicians, Physician Assistants, and Registered Nurse Practitioners
- Dental Providers
- Home and Community Based Services (HCBS) Providers

2.2. AHCCCS is considering implementing new DAPs for the following providers in CYE 2022 and CYE 2023:

- 2.2.1. Hospitals Subject to APR-DRG Reimbursement
 - a. CYE 2022 – Enter into a Care Coordination Agreement with IHS/638 Facility.
 - b. CYE 2022 – Development and Execution of a data quality improvement effort.
- 2.2.2. Critical Access Hospitals
 - a. CYE 2022 – Enter into a Care Coordination Agreement with IHS/638 Facility.
- 2.2.3. Other Hospitals and Inpatient Facilities
 - a. CYE 2022 – Enter into a Care Coordination Agreement with IHS/638 Facility.
- 2.2.4. IHS/638 Tribally Owned and/or Operated Facilities
 - a. CYE 2022 – Development of a data quality improvement plan with a qualifying Health Information Exchange (HIE) organization as well as accessing patient

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health information via a qualifying HIE organization utilizing one or more HIE services.

- 2.2.5. Integrated Clinics
 - a. CYE 2022 – Development of a data quality improvement plan with a qualifying HIE organization as well as accessing patient health information via a qualifying HIE organization utilizing one or more HIE services.
- 2.2.6. Behavioral Health Outpatient Clinics
 - a. CYE 2022 – Electronic submission of actual patient identifiable information to the production environment of a qualifying HIE organization, including a registration event, an encounter summary, and Serious Mental Illness (SMI) data elements as defined by the qualifying HIE organization.
- 2.2.7. Nursing Facilities
 - a. CYE 2022 – Electronic Submission of actual patient identifiable information to the production environment of a qualifying HIE organization, including a registration event, an encounter summary, and SMI data elements as defined by the qualifying HIE organization.
- 2.2.8. Physicians, Physician Assistants, and Registered Nurse Practitioners
 - a. CYE 2022 – E-prescribing, increase criteria from 70% to 75%
- 2.2.9. HCBS Providers
 - a. CYE 2022 – For claims meeting EVV criteria, the provider meets the established percentage of claims passing EVV Claims Validation during the period 04/21/2021 - 12/31/2022
 - b. CYE 2022 - For Providers required to comply with the HCBS Rules, attend and attest to at least two sessions of training offered in 2021 specific to the provider's setting type.
 - c. CYE 2023 – For Providers required to comply with the HCBS Rules, passing quality monitoring audit without a CAP.
 - d. CYE 2023 - For providers subject to EVV, meeting performance metrics for member verification of services, percentage of late or missed visits that are scheduled, percentage of claims passing EVV Claims Validation, and device management.
- 2.2.10. Multiple Provider Types
 - a. CYE 2022 – Completion of a Social Determinants of Health (SDoH) Screening Tool.
- 2.3. DAP rates represent a positive adjustment to the AHCCCS FFS rates. The purpose of the DAP is to distinguish providers which have committed to supporting designated actions that improve patients' care experience, improve members' health, and reduce cost of care growth. Fee schedule adjustments are limited to dates of services within the given contract year. Each DAP is time-limited for one-year only, although a similar DAP may be implemented in the subsequent

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year. Providers must re-qualify for a DAP each year even when the DAP criteria remain the same.

Under a given DAP initiative, the DAP increase may be applicable to all claims paid to a provider or may be limited to claims for a subset of select services. The DAP increases do not apply to payments made on the basis of a cost-to-charge ratio. This notice describes how the DAP increase will be applied for each initiative.

AHCCCS MCO (including Regional Behavioral Health Authorities – RBHAs) are required to pass-through DAP increases to their contracted providers, maintaining rates to match the corresponding AHCCCS FFS rate increase percentages. DAPs with respect to MCOs are authorized under 42 C.F.R. 438.6(c)(1)(iii), which provides States with the flexibility to implement provider payment initiatives, which require certain payment levels by MCOs to providers, which provide specific services critical to ensuring timely access to high-quality care. AHCCCS implements DAP as a uniform percentage increase under this authority. The Centers for Medicare and Medicaid Services (CMS) must approve all 438.6(c) payments prior to annual implementation.

Please note – Funding for DAP rate increases is subject to the appropriation of State funds and State budget constraints. Federal funding for DAP rate increases is contingent upon federal approval. AHCCCS intends to propose incremental and sustainable DAP adjustments, subject to the availability of funds.

3. REQUIREMENTS

3.1. AHCCCS is requesting information from interested parties regarding the design and implementation of DAP strategies for CYE 2022 and CYE 2023. AHCCCS will evaluate strategies for consideration based on the following guiding principles:

3.1.1. Qualifying criteria should be aligned with the AHCCCS Quality Strategy. AHCCCS is required to demonstrate how DAPs are driven by the AHCCCS Quality Strategy in order to obtain federal approval from CMS. Criteria can address measurable performance outcomes or measurable readiness activities that have been completed by providers in the specified data period.

3.1.2. Criteria should be based on publicly available, official, and non-controversial data. In order to ensure the fair and efficient administration of the DAP program, the data used to evaluate providers against the qualifying criteria should, when possible, be independently produced and validated outside of AHCCCS. When feasible, established quality metrics already measured by another governmental entity are preferable. Using publicly available data not subject to interpretation by AHCCCS ensures transparency and clarity in these initiatives.

3.1.3. Not all providers should qualify – providers should be differentiated based on performance. The qualifying criteria should be defined such that 100% of providers will not likely qualify for DAP. The *Differential* Adjusted Payment model requires that criteria are used to *differentiate* providers based on performance in order to receive

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corresponding *differentiated* payments. If all providers receive the differential payment, there is no incentive to drive performance.

- 3.1.4. Criteria thresholds are binary (yes/no) – either a provider meets or does not meet a criterion. While a given threshold may be represented as a ratio, percentage, or measurement of change between data points, the ultimate determination as to if a provider qualifies is either yes/qualifies or no/does not qualify for any given DAP. This approach ensures clarity in determining which providers do or do not qualify for each initiative and is required in order to support implementation of the DAP in the AHCCCS and MCO payment systems. Note – In a given year, if a provider is eligible for two DAP initiatives, depending upon its performance relative to established criteria for each of the two initiatives, it could qualify for none, one, or both DAP initiatives.
- 3.1.5. All qualifying providers must be identified in advance of the contract period. In order to meet the deadlines associated with key activities outlined in the timeline below, all qualifying providers must be identified by the April 1st preceding the October 1st beginning of the contract period. A provider may not gain or lose DAP during a given contract year. The DAP rate is a prospective adjustment for the entire one-year period and there is no corresponding reconciliation or subsequent adjustment to account for current year performance.
- 3.1.6. Qualifying for a DAP in one year does not guarantee qualifying for a DAP in future years. In order to continue to drive increases in performance over time, AHCCCS intends to continue to design DAP qualifying criteria that may differentiate different providers from year to year. Therefore, a DAP rate increase is temporary, time-limited, and only applicable to dates of service within the one year DAP period. DAP funding is not considered a component of the base rate or underlying rate structure and is subject to change from year to year.

3.2. DAP Initiative Example:

The following is an example of a previously implemented DAP that is consistent with the guiding principles outlined above and was implemented in CYE 2020.

- 3.2.1. Qualifying Provider – Nursing Facilities (Provider Type 22)
- 3.2.2. Qualifying Criteria – Provider’s percentage of high-risk residents with Pressure Ulcers is less than or equal to the Arizona average.
- 3.2.3. Data Source – The percent of High-Risk Residents with Pressure Ulcers (Long Stay) based on the facility’s performance results for long-stay, high risk residents with Stage II-IV pressure ulcers reported in Minimum Data Set (MDS) 3.0 for this CMS Nursing Home Quality Measure metric. Facility results are compared to the accompanying Arizona Average results for the measure, for the most recently published rate as of May 12, 2020.

Please also refer to prior year public notices for more detailed examples of DAP initiatives that have been considered and implemented.

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3.3. Additional Considerations: HCBS Provider Focus

AHCCCS is specifically interested in receiving suggestions and input on DAP strategies for HCBS providers, which serve members through the Arizona Long Term Care System (ALTCS) Developmental Disabilities (DD) and Elderly and Physically Disabled (EPD) programs. For planning purposes, AHCCCS is currently considering potential initiatives in the following categories:

3.3.1. HCBS Providers - relative to meeting EVV claims criteria

- In CYE 2022, AHCCCS would consider a DAP for providers that meet an established percentage of claims passing EVV Claims Validation during the period 04/21/2021 - 12/31/2022

3.3.2. HCBS Providers - relative to training standards

- In CYE 2022, AHCCCS would consider a DAP for providers required to comply with the HCBS Rules, that attend and attest to at least two sessions of training offered in 2021 specific to the provider's setting type.

3.4. Additional Considerations: Targeted Investment (TI) Program Sustainability

The TI Program is a five year program, ending in CYE 22. The TI program makes incentive payments to Medicaid providers that adopt processes to integrate physical care and behavioral health services. AHCCCS is specifically interested in receiving suggestions and input on DAP strategies intended to support specific provider activities that sustain and advance TI Care Integration initiatives in CYE 2023 once the program has ended, including the continuation of certain milestones that TI participants have implemented to support progress toward integration. By discussing potential DAP initiatives in CYE 2021, AHCCCS hopes that providers are able to achieve the performance measure results that would be used for determining the TI DAP in CYE 2023.

AHCCCS is interested in the following concepts, but seeks input related to how it might implement specific DAP initiatives:

3.4.1. Primary Care Providers - Participation in the statewide HIE

Effective exchange of patient information is foundational to coordinated and integrated care.

- In CYE 2023, AHCCCS would consider a DAP for qualifying providers who participate in the statewide HIE and implement Receipt of Admission/Transfer/Discharge (ADT) alerts in the period January 1, 2021 through December 31, 2021, as compared to baseline data from the period January 1, 2020 through December 31, 2020.
- In CYE 2023, AHCCCS would consider a DAP for qualifying providers who participate in the statewide HIE and implement a bi-directional data exchange

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- 3.4.2. Integrated Clinics and Behavioral Health Outpatient Clinics - Participation in the statewide HIE Effective exchange of patient information is foundational to coordinated and integrated care.
- In CYE 2023, AHCCCS would consider a DAP for qualifying providers who participate in the statewide HIE and implement a bi-directional data exchange.
- 3.4.3. Primary Care Providers, Integrated Clinics, and Behavioral Health Outpatient Clinics - Implementation of the Collaborative Care Model (CoCM)
The CoCM is a behavioral health integration model that enhances primary care by adding care management support for patients receiving behavioral health treatment, and regular psychiatric inter-specialty consultation to the primary care team. CoCM is a widely accepted integration model, adopted by several TI participants.
- In CYE 2023, AHCCCS would consider a DAP for qualifying providers who implement and use a CoCM but it seeks input on how to validate provider participation in this potential DAP.
 - Additionally, what is an appropriate minimum threshold for participation?
- 3.4.4. Primary Care Providers - Screening of child and adolescent members for depression and/or anxiety when receiving an EPSDT/adolescent well visit Behavioral health screening in primary care is a TI milestone requirement and an important component to linking physical and behavioral care.
- In CYE 2023, AHCCCS would consider a DAP for qualifying providers meeting established screening claims targets associated with EPSDT and adolescent well visits.
 - What would be an appropriate target for providers to qualify this potential DAP?
 - How would AHCCCS be able to validate provider participation in this DAP?
 - What potential issues may AHCCCS run into when validating this DAP?
- 3.4.5. Integrated Clinics – Behavioral Health or Primary Care Services Utilization
In CYE 2021, AHCCCS implemented a DAP to apply a 10.0% increase for select physical health services for Integrated Clinics where behavioral health services for the provider must account for at least 40.0% of total AHCCCS claims and encounters. Modifying this DAP to include both or either behavioral health services and primary care services may support greater integration for both primary care and behavioral health organizations that have transitioned to become Integrated Clinics.
- In CYE 2023, AHCCCS would consider a DAP for Integrated Clinics where either behavioral health claims and/or primary care claims for the provider must account for at least 40.0% of the total AHCCCS claims.

Please Note: AHCCCS TI Sustainability strategies may be modified depending upon implementation of other initiatives and/or relevant federal approvals, to ensure efforts are not duplicative.

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4. Timeline

The following table is a summary of key activities in the DAP Strategies decision making and communication processes. Note – There is not an associated Request for Proposal (RFP) associated with this RFI.

Deadline	Key Activities
11/2/2020	Request for Information (RFI) Posted
12/04/2020	RFI Responses Due
1/29/2021	Preliminary Public Notice
3/26/2021	Final Public Notice
4/01/2021	Qualifying Providers Identified
7/01/2021	438.6(c) Request for Approval Due to CMS
8/13/2021	MCO Capitation Rates Due to CMS (including prospective funding for DAPs)

5. **INFORMATION REQUESTED**

If a stakeholder is interested in providing information or input on DAP strategies, AHCCCS requests a written response that outlines relevant information and data that AHCCCS should consider in the development of its approach.

AHCCCS welcomes specific proposals for DAP initiatives and requests each discrete proposal to be communicated in the following specific format:

5.1. Qualifying Providers

- 5.1.1. What provider type(s) should qualify?
- 5.1.2. What services provided by the provider should qualify?
- 5.1.3. Why prioritize these providers and services?

5.2. Qualifying Criteria

- 5.2.1. What is the specific criteria and qualifying threshold? Please express as a percentage, ratio, or whole number.
- 5.2.2. How does this metric align with the AHCCCS Quality Strategy?
- 5.2.3. How are providers anticipated to be differentiated in this metric? For example, based on the most recent data period, what percentage of providers would have qualified under the proposed metric?
- 5.2.4. How does the criteria/metric incentivize performance by these providers?

5.3. Data Source

- 5.3.1. What is the data source that would be used for the criteria/metric?
- 5.3.2. What is the time period for the data source that will be evaluated?
- 5.3.3. Is the information publicly available, official, readily accessible, and non-controversial?

6. **CONTENTS OF YOUR RESPONSE**

If you are interested in responding to this RFI, AHCCCS is requesting the following:

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- 6.1. **Detailed Written Response** to any or all of the areas listed above. Response should be no more than **twelve (12) pages**, and should include the respondent's name and RFI number at the top of each page.
- 6.2. **A completed Attachment A**, Respondent's Information, which includes contact information, including name, title, mailing address, email address, authorized signature, and phone number of the contact person for questions relating to the RFI.

7. HOW TO RESPOND

- 7.1. Submit electronic response directly to the procurement officer listed in this RFI at Procurement@azahcccs.gov.
- 7.2. Submit response no later than the time indicated on the front page of this RFI. Please take into consideration the unique Arizona time zone.

8. CONFIDENTIAL/PROPRIETARY INFORMATION

- 8.1. To the extent allowed by law, information contained in a response to a request for information shall be considered confidential until a formal procurement process is concluded or for two (2) years, whichever occurs first. AHCCCS reserves the right to use outside consultants to assist staff in reviewing this request for information. A Procurement Disclosure Statement (PDS) is signed by all reviewers to ensure that the legal mandate to maintain strict security and confidentiality of the information is met. This RFI and responses to the RFI are subject to the Arizona Public Records law and as such, are open to public inspection after this time.
- 8.2. Detailed Legal Analysis: If a Respondent believes that a specific portion of its response contains information that should be withheld from public inspection due to confidentiality, the Respondent shall submit to the Procurement officer a detailed legal analysis, prepared by legal counsel, which sets forth the basis for the requested non-disclosure and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification, or protest.
- 8.3. Redacted Version of Response: If any pieces of a response are being requested to be kept confidential, and withheld from public viewing, an additional redacted copy of the proposal is required. This will ensure that no confidential information is inadvertently shared publicly as opposed to the version that contains confidential information for AHCCCS viewing only.
 - 8.3.1. An entire response shall not be identified as confidential; only those very limited and distinct portions which are considered by the respondent as confidential may be identified as such.
 - 8.3.2. In the event that AHCCCS receives a request for disclosure of the information, AHCCCS shall disclose the information in accordance with the law. Prior to disclosure, AHCCCS will inform the respondent of such a request and provide the respondent a period of time to take action it deems appropriate to support non-disclosure. The respondent shall be responsible for any and all costs associated with the nondisclosure of the information.

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9. **REIMBURSEMENT**

AHCCCS will not reimburse any respondent for the cost of preparing and submitting a response to the RFI or for travel costs associated with presenting the demo.

10. **NO AWARD OF CONTRACT**

This is a Request for Information (“RFI”) only and as such will NOT result in any award of contract. AHCCCS is in the information gathering stage and no decisions have been made concerning the agency’s intent to issue a formal Request for Proposal. Responding to this RFI is appreciated and will NOT prohibit the respondents from responding to any future procurement.

Information received by AHCCCS becomes the property of AHCCCS and will not be returned to the sender. There will be no acknowledgement by AHCCCS of receipt of the information. Acceptance of responses to this RFI imposes no obligations of any kind upon AHCCCS.

Attachment A: Respondent's Contact Information

Company Name
Address
Federal Employer ID Number

For Clarification of this Response Contact:

Name
Title
Phone
Email

Signature of Authorized Person
Name
Title
Date

END OF DOCUMENT

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