Rule Summary and Fiscal Analysis
Part A - General Questions

Rule Number: 5160-1-71

Rule Type: New

Rule Title/Tagline: Patient-centered medical homes (PCMH): eligible providers.

Agency Name: Ohio Department of Medicaid

Division:

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I. Rule Summary

1. **Is this a five year rule review?** No

   A. **What is the rule's five year review date?**

2. **Is this rule the result of recent legislation?** No

3. **What statute is this rule being promulgated under?** 119.03

4. **What statute(s) grant rule writing authority?** 5164.02

5. **What statute(s) does the rule implement or amplify?** 5164.02

6. **What are the reasons for proposing the rule?**

   This rule is being proposed to reflect changes for the 2019 Comprehensive Primary Care (CPC) program year. This rule is replacing existing rule 5160-1-71 which is being proposed for rescission.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

   This rule implements the Ohio Department of Medicaid's Comprehensive Primary Care Program (CPC) under the State Innovation Model (SIM) grant, the development of which is a joint collaboration between the Ohio Department of Medicaid (ODM)

and the Governor's Office of Health Transformation (OHT). The CPC program utilizes a Patient Centered Medical Home (PCMH) model to emphasize primary care and encourage providers to deliver medical services more efficiently and economically to achieve better health outcomes for the more than 3 million Ohioans covered by Medicaid. This is a team-based care delivery model led by a primary care practitioner who comprehensively manages the health needs of individuals.

This rule is being proposed for adoption to replace the existing rule of the same title which is being proposed for rescission. This rule is being proposed to reflect program year 2019 changes in which accreditation will no longer be required. Other modifications for program year 2019 include the option of forming a PCMH through a practice partnership led by a convener, and revision of activity requirements for participation as a PCMH.

This rule provides definitional information, identifies eligible entities and requirements for enrollment as a PCMH, and describes the activity, efficiency, and quality measures including the performance thresholds that must be met. This rule informs the PCMH that it may utilize reconsideration rights to challenge a decision of ODM concerning PCMH enrollment or eligibility. To be eligible for participation and payment beginning in January 2019, a PCMH must have at least 500 attributed Medicaid individuals determined through claims-only data. A practice may choose to participate as a PCMH on its own or through a practice partnership which is an option being introduced for the 2019 program year.

In this new proposed rule, a group of practices may participate together as a PCMH by forming a practice partnership. Each member practice in the partnership must have an active Medicaid provider agreement and at least 150 attributed Medicaid individuals determined through claims-only data. Each practice partnership must have a combined total of 500 or more attributed individuals using claims-only data at each attribution period and must be led by a single designated convening practice, known as a "convener." The convener is defined in the rule as being the responsible practice for acting as the point of contact for ODM on behalf of the practice partnership. The convener must have participated as a PCMH for at least one previous program year. Additionally, each member practice of the partnership must acknowledge to ODM its participation in the partnership and agree that summary-level practice information can be shared by ODM among practices within the partnership.

The activity requirements for program year 2019 have been further refined and consolidated from the previous program year. Upon enrollment and on an annual basis, each PCMH must attest that it will meet the activity requirements. The "twenty-four-seven access to care" activity requirements were removed and some components were combined with the "same day appointments" activity requirements. This activity

requirement is now referred to as the "twenty-four-seven and same-day access to care" activity requirements. This requires the PCMH to offer at least one alternative to traditional office visits to increase access and best meet the needs of the population. It requires the PCMH to within 24 hours of initial request, provide access to a primary care practitioner with access to the patient's medical record. Additionally, it requires the PCMH to make patient clinical information available to on-call staff, external facilities, and other clinicians outside the practice when the office is closed.

A "team-based care management" activity requirement is being proposed in the new rule and is similar to previous program years however it is being re-named as "team-based care delivery." This requires the PCMH to define care team members, roles, and qualifications and to provide various care management strategies in partnership with payers, ODM, and other providers for attributed members as necessary.

Finally, the "care management plans" activity requirements were added in the new proposed rule. This requires the PCMH to create care plans that include necessary elements for all high-risk patients as identified by the PCMH's risk stratification process. The remaining activity requirements remain the same from the previous program year and are not being proposed for revision in this new proposed rule. The risk stratification, population health management, follow-up after hospital discharge, tests and specialist referrals, and patient experience activity requirements will remain the same as in program year 2018.

Similar to previous program years, this new proposed rule requires the PCMH to pass a number of efficiency and clinical quality requirements that represent at least 50% of applicable metrics on a yearly basis. For program year 2019, an additional efficiency requirement is being proposed to include referral patterns to episode principle accountable providers. This was a requirement in the first program year in 2017 and was subsequently removed for program year 2018. For program year 2019, ODM is proposing it be added as a requirement. The clinical quality requirements will remain and will not change from program year 2018.

8. **Does the rule incorporate material by reference?** Yes

9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**
   This rule incorporates one or more references to another rule or rules of the Ohio Administrative Code. This question is not applicable to any incorporation by reference to another OAC rule because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.76(A)(3).

This rule incorporates one or more references to the Ohio Revised Code. This question is not applicable to any incorporation by reference to the Ohio Revised Code because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.76(A)(1).

10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

Not Applicable

II. Fiscal Analysis

11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will increase expenditures.

40,123,000

The average annual per member spend is $45.96. There will be a estimated maximum of 582,000 additional members due to the changes in this rule. Therefore there is an estimated maximum additional spend of $40,123,000 is projected for the biennium consisting of the rule effective date, (October,1 2018) and the end of the current biennium (June 30, 2020). There will only be 18 months of payment during this time due to the initial three month window necessary for provider enrollment. This is a higher level of program participation than what is expected.

12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

In the short term, practices newly enrolling in the Ohio CPC program will incur some costs as they undergo the transitions required to become an effective CPC practice, meeting the program requirements. Practices newly enrolling will not be subject to the cost of national accreditation since this requirement was removed for those participating in program year 2019. Costs will vary widely based on provider size, current level of staffing, and existing relationships with other providers and networks. Many costs are expected to be administrative and in time spent training existing staff, hiring additional staff, updating technology, and building relationships with other providers or networks.

The estimated cost for an Ohio CPC practice to meet activity requirements, clinical quality, and efficiency metrics is $180,000. This figure was estimated by considering care coordinator costs, average primary care practitioner salary, and administrative costs for the average practice projected to participate in the Ohio CPC program. This estimate also takes into consideration the resources needed to effectively comply with the activity, clinical quality, and efficiency metrics. Practices who form a partnership to participate as a PCMH may combine resources and share in any costs that incur. This is largely dependent on provider size, current baseline operations, and available resources.

Practices who form a partnership may incur additional costs in coordinating, implementing, and aligning CPC program objectives among member practices. The practice who acts as the convener may also incur additional costs in this role.

If a CPC practice does not meet the requirements for the Ohio CPC program, participation in the program may be terminated. A participating CPC practice will not be charged a fine for failure to meet these requirements.

13. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B).** Yes

14. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C).** No

III. Common Sense Initiative (CSI) Questions

15. **Was this rule filed with the Common Sense Initiative Office?** Yes

16. **Does this rule have an adverse impact on business?** Yes

    A. **Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business?** Yes

    For any eligible primary care practice that voluntarily chooses to enroll in the Ohio CPC program, this rule requires the participating entity to be licensed to practice as a primary care physician, advanced practice registered nurse, or physician assistant that has a specialty in primary care.

    B. **Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms?** No

    Not applicable.

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

A practice that participates in the Ohio CPC program will be required to attest that specific requirements are met.

Rule Summary and Fiscal Analysis
Part B - Local Governments Questions

1. Does the rule increase costs for:

A. Public School Districts	Yes
B. County Government	Yes
C. Township Government	Yes
D. City and Village Governments	Yes

2. Please estimate the total cost, in dollars, of compliance with the rule for the affected local government(s). If you cannot give a dollar cost, explain how the local government is financially impacted.

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3. **Is this rule the result of a federal government requirement?** Yes

   A. **If yes, does this rule do more than the federal government requires?** No

   B. **If yes, what are the costs, in dollars, to the local government for the regulation that exceeds the federal government requirement?**

      Not Applicable

4. **Please provide an estimated cost of compliance for the proposed rule if it has an impact on the following:**

   A. **Personnel Costs**

      An entity who enrolls in the Ohio CPC program may incur personnel costs through complying with the activity, quality, and efficiency requirements. This will vary based on the entity size, capacity, and current staffing.

   B. **New Equipment or Other Capital Costs**

      No new equipment or other capital costs are expected.

   C. **Operating Costs**

      Any eligible primary care practice that voluntarily chooses to enroll in the Ohio CPC program will incur some costs as they undergo the transitions required to become an effective CPC practice, meeting the program requirements.

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   D. **Any Indirect Central Service Costs**

      No new costs.

E. Other Costs

No new costs.

5. Please explain how the local government(s) will be able to pay for the increased costs associated with the rule.

Through participation in the Ohio CPC program, providers receive a PMPM payment quarterly that helps in carrying out the required activities. Practices may also receive a total cost of care savings payment if certain quality and efficiency metrics are met.

6. What will be the impact on economic development, if any, as the result of this rule?

This new proposed rule is expected to have a positive impact on economic development. For program year 2019, accreditation requirement has been removed and practice partnerships have been introduced. This would allow practices who may not have been eligible previously to participate in the Ohio CPC program.

Practices participating in the Ohio CPC program would provide more efficient care, improve access for Medicaid enrolled individuals receiving care through a PCMH, and improve overall delivery of health care services provided to Medicaid enrolled individuals. This will also support independent practices that meet the eligibility criteria to participate.