

---

# UPDATE ON THE REVISED AFFORDABILITY STANDARDS



CORY KING

DIRECTOR OF POLICY

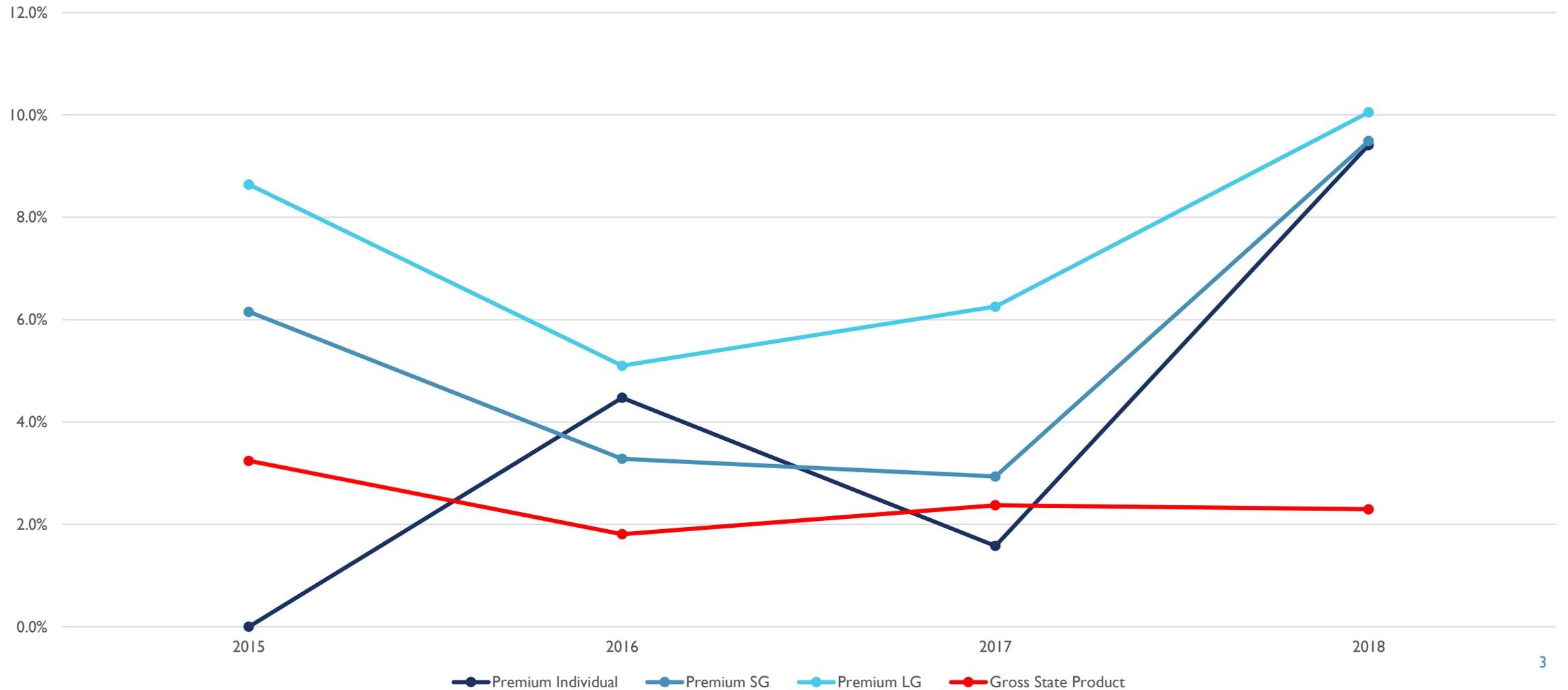
RHODE ISLAND OFFICE OF THE HEALTH  
INSURANCE COMMISSIONER

JUNE 26, 2020

## BACKGROUND ON THE AFFORDABILITY STANDARDS

- The Affordability Standards comprise a set of requirements for health insurers to follow in their efforts to improve the affordability of their products.
- The Affordability Standards are also designed to promote other aspects of OHIC's mission, including consumer protection, access to care, and health care quality.

# Average Premium Increases vs. Economic Growth

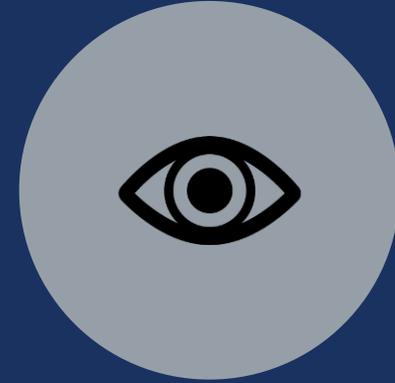




PAYMENT REFORM



CARE  
TRANSFORMATION



OVERSIGHT &  
MONITORING

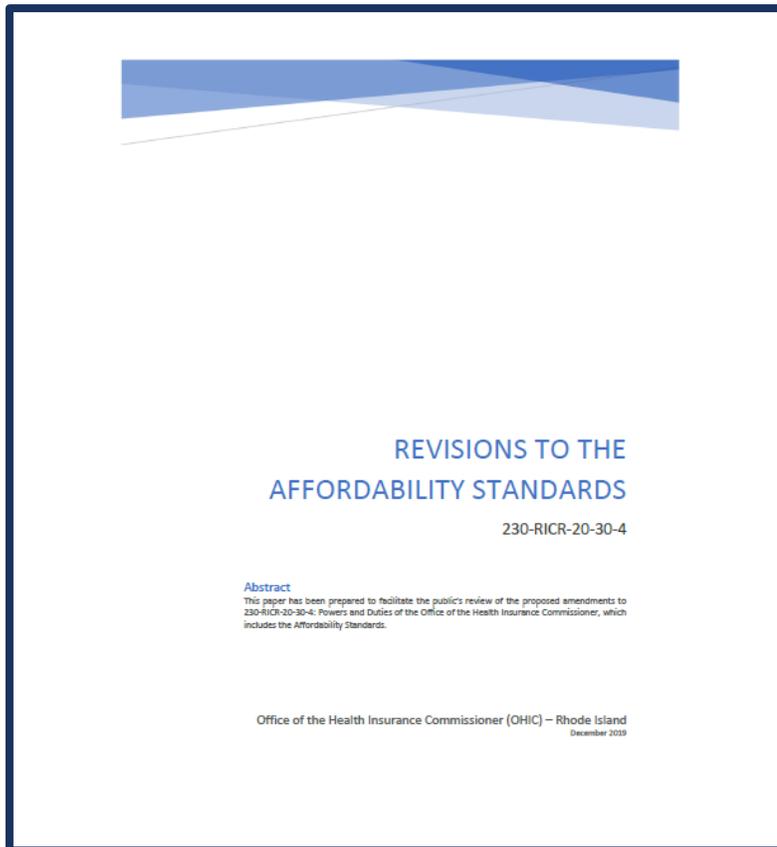
## POLICY GOALS OF THE REVISIONS

Ensure sustainable funding for advanced primary care.

Support the integration of behavioral health into primary care by removing administrative encumbrances to integration.

Transition payment models to greater downside risk and prospective payment to strengthen incentives for cost reduction and allow greater clinical flexibility and support for team-based care.

# RULEMAKING DOCUMENTS



- The adopted regulation and supporting documents can be found on the Rulemaking Documents tab [here](#).



# REVISED AFFORDABILITY STANDARDS

EFFECTIVE JUNE 25, 2020

# PCMH FUNDING & INTEGRATED BEHAVIORAL HEALTH

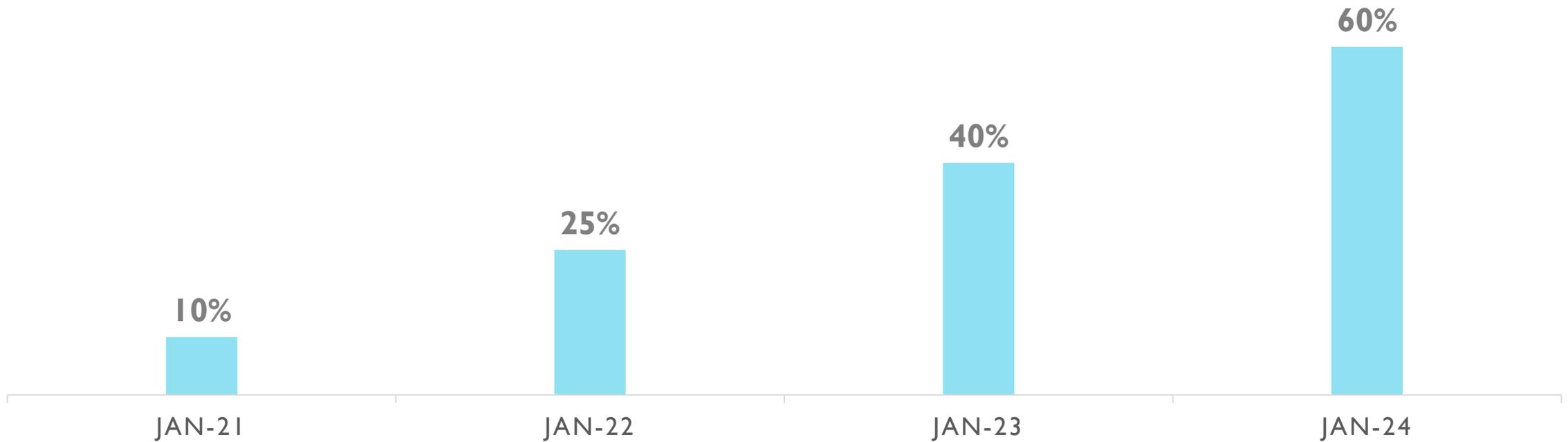
- Health insurers will continue to make sustainability payments to practices that have met the OHIC PCMH standards.
- The standards introduce a new classification of primary care: Qualifying Integrated Behavioral Health Primary Care Practice.
- By January 1, 2021 health insurers shall eliminate copayments for patients who have a behavioral health visit with an in-network behavioral health provider on the same day and in the same location as a primary care visit at a Qualifying Integrated Behavioral Health Primary Care Practice.

# PRIMARY CARE PAYMENT REFORM

- Health insurers shall develop and implement a prospectively paid alternative payment model for primary care. Health insurers are encouraged to align their primary care alternative payment model with the State of Rhode Island Office of the Health Insurance Commissioner Primary Care Alternative Payment Model Work Group Consensus Model published on August 9, 2017.
- For primary care practices recognized as a Qualifying Integrated Behavioral Health Primary Care Practice under § 4.3(A)(18), health insurers shall develop and implement a prospectively paid alternative payment model for primary care that compensates practices for the primary care and behavioral health services delivered by the site.
- No later than October 2021, the Commissioner shall convene a working group to assess health insurer, provider and patient experience under these models.

# PRIMARY CARE ALTERNATIVE PAYMENT MODEL TARGETS

PERCENT OF RHODE ISLAND COMMERCIAL MEMBERS ATTRIBUTED

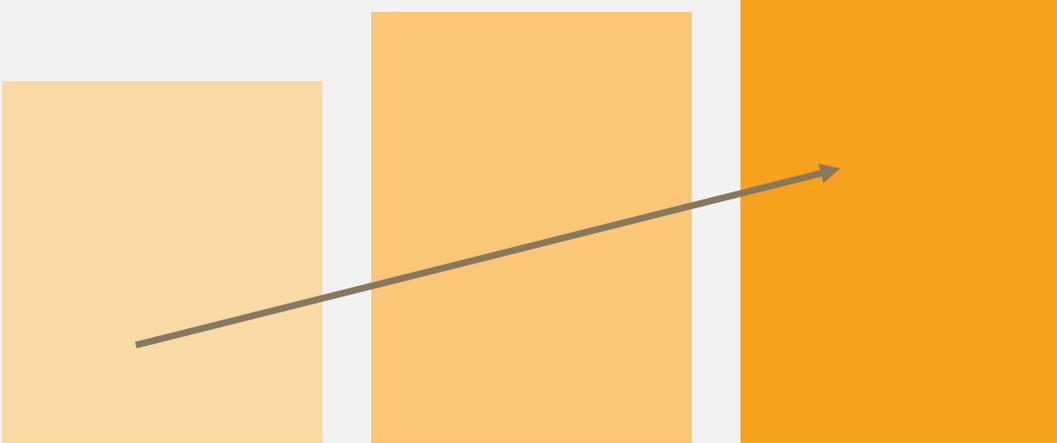




# DOWNSIDE RISK REQUIREMENTS

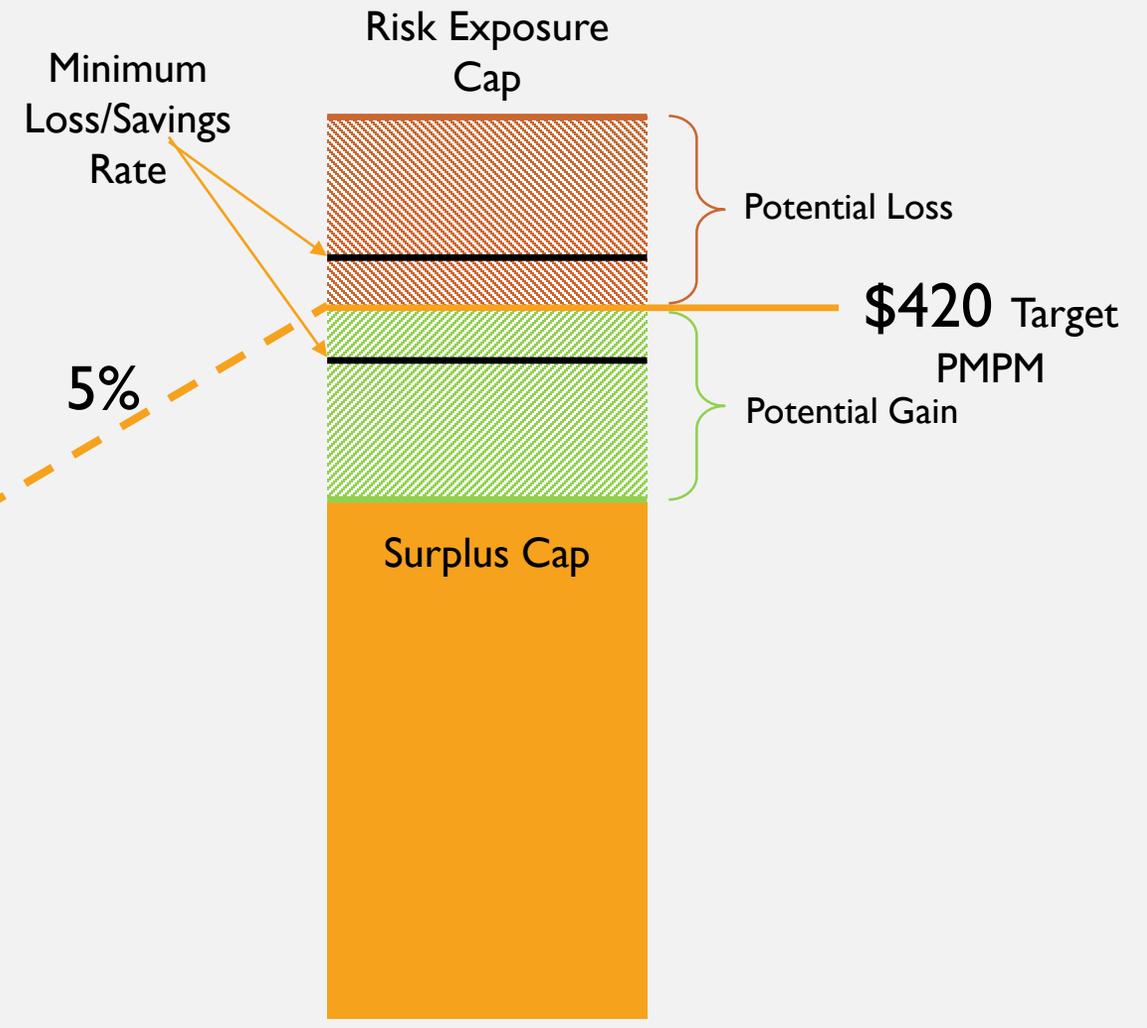


Attributed Pop  
= 25,000



Historical PMPM (\$)

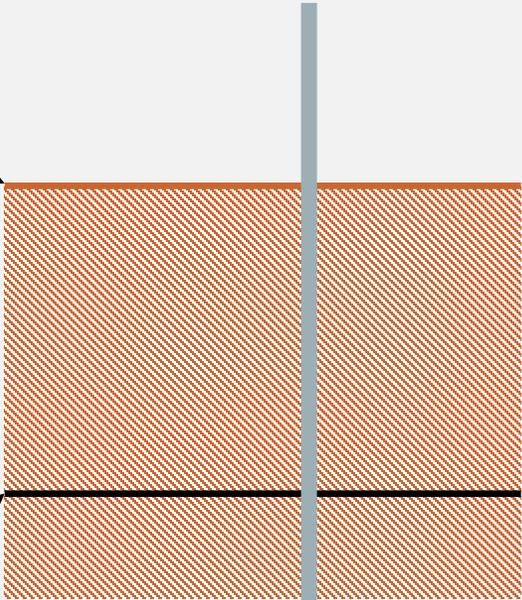
Baseline PMPM (\$)



Performance Year PMPM Target (\$)



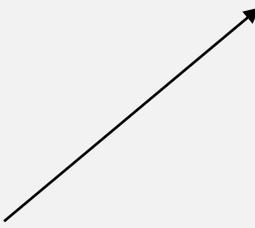
Risk Exposure Cap



Potential Loss (Max. Loss Pool)



Minimum Loss Rate



60%

40%



Risk Sharing Rate



# RISK-BASED CONTRACTING – HOSPITAL BASED ACOs

10,000-20,000 lives	2020 requirement	2021+ requirement
<b>Risk exposure cap</b>	At least 5%	At least 6%
<b>Minimum loss rate</b>	No more than 3%	No more than 3%
<b>Risk sharing rate</b>	At least 40%	At least 50%
20,000+ lives	2020 requirement	2021+ requirement
<b>Risk exposure cap</b>	At least 5%	At least 6%
<b>Minimum loss rate</b>	No more than 2%	No more than 2%
<b>Risk sharing rate</b>	At least 40%	At least 50%

<sup>[1]</sup> **Risk exposure cap** is defined as a cap on the losses which may be incurred by the provider under the contract, expressed as a percentage of a) the total cost of care or b) the annual provider revenue from the insurer under the population-based contract.

<sup>[2]</sup> **Minimum loss rate** is defined as a percentage of the total cost of care, or annual provider revenue from the insurer under a population-based contract, which must be met or exceeded before actual losses are incurred by the provider. Losses may accrue on a first dollar basis once the minimum loss rate is breached.

<sup>[3]</sup> **Risk sharing rate** is defined as the percentage of total losses shared by the provider with the insurer under the contract after the application of any minimum loss rate.

## RISK-BASED CONTRACTING – PHYSICIAN-BASED ACOs

10,000-20,000 lives	2020 requirement	2021+ requirement
<b>Risk exposure cap</b>	At least 7% revenue, or 2% TCOC	At least 8% revenue, or 3% TCOC
<b>Minimum loss rate</b>	No more than 3%	No more than 3%
<b>Risk sharing rate</b>	At least 40%	At least 50%
20,000+ lives	2020 requirement	2021+ requirement
<b>Risk exposure cap</b>	At least 8% revenue, or 3% TCOC	At least 8% revenue, or 3% TCOC
<b>Minimum loss rate</b>	No more than 2%	No more than 2%
<b>Risk sharing rate</b>	At least 40%	At least 50%



# QUESTIONS