

States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model*



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*Presentation source: CMS
AHEAD graphics and documents
unless otherwise noted

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Rural Health Value

- Goals
 - To facilitate rural health care organization and community transitions from volume-based to value-based health care and payment.
 - To engage and educate payers regarding *rural* value-based health care and payment perspectives.
- Rural Health Value's charge
 - Convene parties/groups interested in rural value-based care and payment.
 - Develop tools and resources to support rural value-based care.
 - Interpret health policy related to rural health care value.
 - Disseminate rural best practices adopting value-based care.
 - Share rural experiences delivering value-based care.
- www.ruralhealthvalue.org



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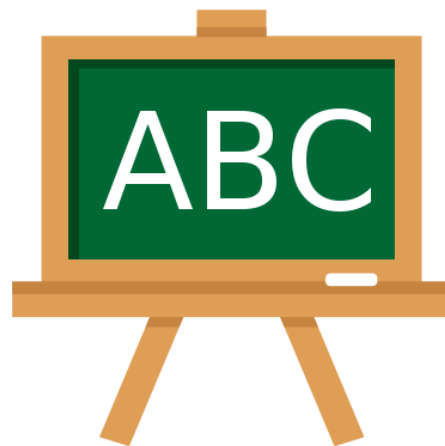
Today's Objectives

- Purpose
 - To identify rural-related opportunities, questions, and next steps for organizations interested in the AHEAD Model.
- Objectives
 - Describe AHEAD key elements and timeline.
 - Consider AHEAD opportunities and requirements, especially from a rural perspective.
 - Identify potential implications for rural hospital and primary care participation.
- Please type your organization and state in the chat box. ←



AHEAD Basics

- Cooperative agreement
- Only state agencies may apply
- Up to 8 states and \$12m per state
- Funding for first 6 years
- Staggered model entry periods
- 11-year model duration
- Key components
 - Hospital global budgets
 - Primary care investment
 - State Health Equity Plan

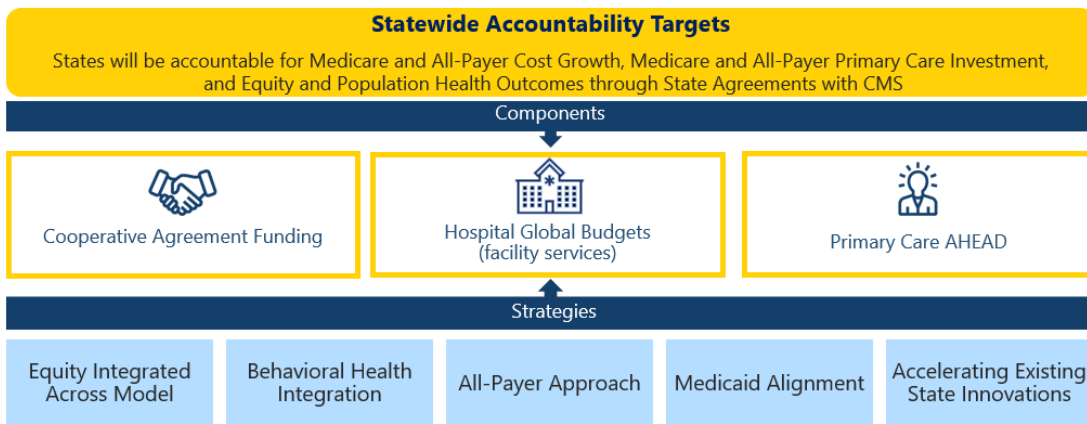


AHEAD Timeline

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Model Year		MY1	MY2	MY3	MY4	MY5	MY6	MY7	MY8	MY9	MY10	MY11
1st NOFO Period	Cohort 1	NOFO	Pre-Implementation (18 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9
	Cohort 2		Pre-Implementation (30 mos)			PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
2nd NOFO Period	Cohort 3	NOFO	Pre-Implementation (24 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	



AHEAD Targets, Components, and Strategies



AHEAD Purpose

- To test population health and health equity impacts when states (or state subregions) are held accountable for controlling health care cost growth.
- AHEAD goals
 - Improve population health
 - Advance health equity by reducing health outcome disparities
 - Curb health care cost growth and reduce Medicare and Medicaid program expenditures



AHEAD Rural Applicability

- The next iteration of three state-based value models with *rural* participants.
 - Maryland Total Cost of Care Model
 - Vermont All-Payer ACO Model
 - Pennsylvania Rural Health Model
- AHEAD focus on *primary care* – the predominant form of rural health care.
- AHEAD focus on *equity* requires focus on rural disparities.
- Most state-wide applicants will need to include rural hospitals and primary care practices.



AHEAD Eligible Applicants

- State agencies; for example,
 - Medicaid
 - Insurance
 - Public Health
- Minimum 10,000 Traditional (FFS) Medicare beneficiaries
- Rural participants
 - Rural PPS hospitals, CAHs, and REHs
 - Private primary care clinics, RHCs, FQHCs, and Health Center Look-Alikes
- ACO REACH hospitals may not participate



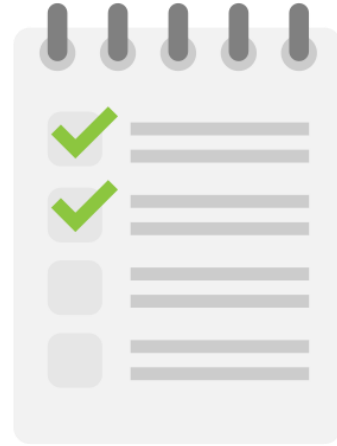
AHEAD Targets (Priorities)

- Population health and health equity targets
 - Medicare FFS primary care investment
 - All-payer primary care investment targets
 - Statewide quality and equity targets (Medicare FFS and all-payer)
- Cost control targets
 - Medicare FFS total cost of care
 - All-payer cost growth
- Private payer participation
 - At least one must offer hospital global budgets by the end of the second year.



AHEAD Prerequisites

- States must support primary care investment.
- States must have a plan to measure health equity.
- States must attempt to include all private payers.
- Hospitals must forgo FFS and accept global budgets.



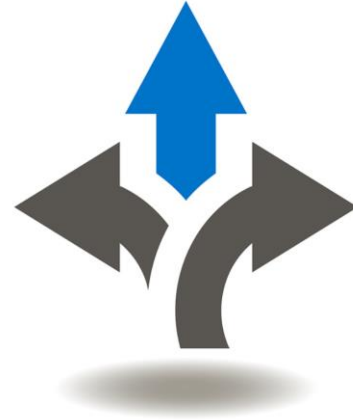
Spending the \$12 Million Over 6 Years

- Support planning activities during the pre-implementation period and initial performance years.
- Establish a model governance structure to guide implementation.
- Build partnerships between the state, providers, payers, and the community.
- Develop performance benchmarks, Primary Care Investment Plan, and Statewide Health Equity Plan.
- Other opportunities?

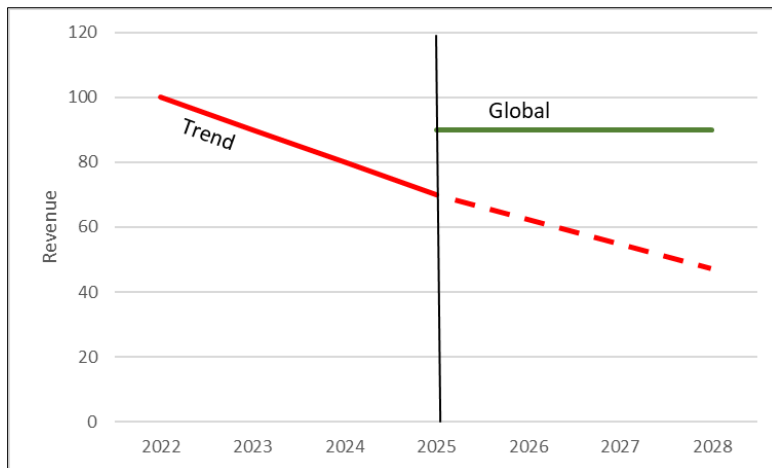


AHEAD Quality Measures

- Statewide
 - State-selected measures from CMS options
- Hospital
 - From current CMS hospital programs
 - CAHs will have "unique" pay-for-performance
- Primary care
 - Behavioral health
 - Prevention and wellness
 - Chronic conditions
 - Acute care utilization
- Individual experience
 - HCAHPS

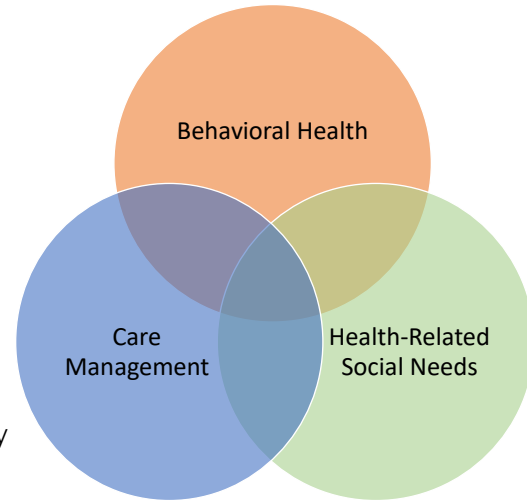


AHEAD Hospital Global Budget Impact



Primary Care AHEAD

- Medicare enhanced primary care payment requires care management and behavioral health integration.
- All-payer primary care investment must continue for the duration of the AHEAD performance period.
- States must recruit primary care practices.
 - Medicare SSP and ACO REACH practices may participate.
 - Primary Care First and Making Care Primary practices may not participate.



AHEAD Equity Focus

- Develop state health equity plans.
- Enhance state, provider, and community partnerships to address health-related social needs (HRSN).
- Intentionally increase safety-net provider recruitment.
- Use social risks and disparity measures to adjust bonus payments.
- Utilize HRSN screening by hospitals and primary care providers.



EQUALITY



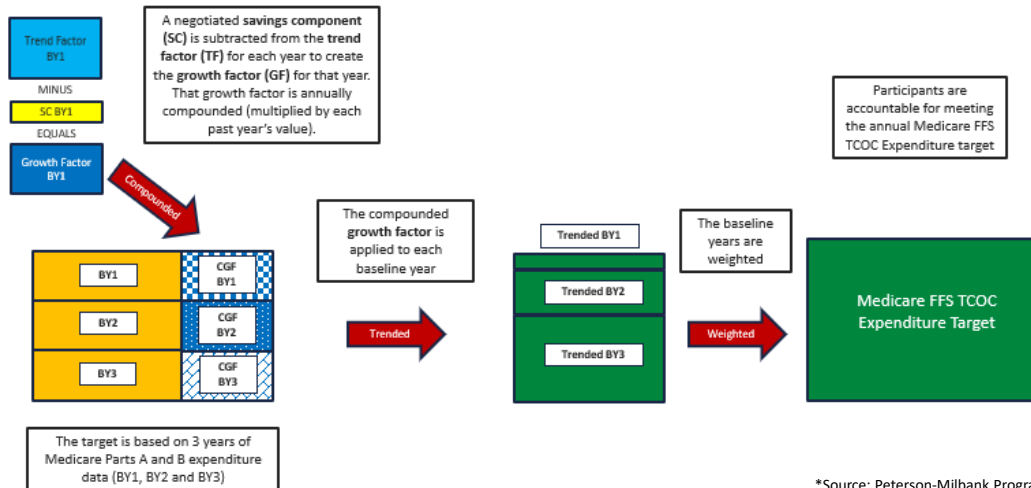
EQUITY

AHEAD Equity and Rural Disparities

- Rural residence is often associated with health and health care disparities.
- Gender, ethnicity, socioeconomic or other factors plus rural residence leads to *dual-disparities*.
- Increased recruitment of safety-net providers should include rural health care organizations and rural community-based organizations.



AHEAD Medicare FFS TCOC Targets*



*Source: Peterson-Milbank Program for Sustainable Health Care Costs. 2023



Assessing Readiness for AHEAD*

- Feasibility of enacting state legislation in accordance with the model milestones timeline.
- Legislation or executive order that provides authority to establish cost targets must be enacted by the start of PY1.
- Readiness and political will to establish the necessary governing bodies and execute the requirements described above.



*Source: Peterson-Milbank Program for Sustainable Health Care Costs. 2023

Some Remaining AHEAD Questions

- How many states are "ready" (infrastructure and legislative resolve) to participate in AHEAD?
- Will states with significant Medicaid managed care or Medicare Advantage elect to participate?
- Will states successfully recruit primary care practices and hospitals?
- Will commercial payers abandon cost-of-production payment for value-based payment?
- Will hospitals abandon FFS revenue strategies for revenue based solely on historic costs and value-based care?
- How will CAH pay-for-performance systems be established?



AHEAD Summary – States*

Opportunities

- Up to 8 states may receive up to \$12 million each in federal money (funds will be available for up to 6 years).
- Leverage Medicare funds with greater flexibility through waivers.
- Improve population health and equity.
- Reduce future Medicaid spending on high-cost hospital services.



Requirements

- Applicants must be a state agency and include Medicaid.
- Develop and administer Medicaid global budgets for hospital services.
- Include ≥ 10,000 Medicare beneficiaries.
- Hospitals and primary care practices must participate for the Model duration.
- At least one private payer must participate by year 2.
- Meet state-specific performance-targets.

*Source: KFF. What is the Centers for Medicare and Medicaid Services' New AHEAD Model? 2024.



AHEAD Summary – Primary Care Providers*

Opportunities

- Increased funding for primary care.
- Ability to spend more time with patients.
- Ability to see patients achieve improved health outcomes and ability to address HRSNs.



Requirements

- Coordinate health care, including behavioral health integration.
- Screen patients for HRSNs including housing, food, and transportation; and make referrals or take other actions to address those needs.
- Collect and report patient demographic data.
- Meet performance targets related to health outcomes and equity.

*Source: KFF. What is the Centers for Medicare and Medicaid Services' New AHEAD Model? 2024.



AHEAD Summary – Hospitals*

Opportunities

- More predictable revenue.
- Ability to earn increased operating margins if able to provide more cost-effective care.



Requirements

- Accept global budget payments from Medicaid, Medicare FFS, and participating private payers.
- Take on financial risk, with potential reductions in profit margins if costs rise faster than payments.
- Collect and report patient demographic data.
- Meet performance targets related to health outcomes and equity.

*Source: KFF. What is the Centers for Medicare and Medicaid Services' New AHEAD Model? 2024.



AHEAD Summary – Private Payers*

Opportunities

- Curb spending growth over time by reducing the use of high-cost hospital services.
- More predictable spending on hospital services.



Requirements

- Pay hospitals' global budgets for all covered services to all patients.
- Increase payment rates for primary care providers.

*Source: KFF. What is the Centers for Medicare and Medicaid Services' New AHEAD Model? 2024.



Questions? Ask the AHEAD Experts

- **Email:** AHEAD@cms.hhs.gov
- [Sign up for Email Updates](#) from the AHEAD Model team
- AHEAD office hours
 - January 30, 2024, from 3:00-4:00 p.m. EST (Zoom link to follow)
 - February 14, 2024, from 3:00-4:00 p.m. EST (Zoom link to follow)




Selected AHEAD Resources

- CMS AHEAD webpage – [States Advancing All-Payer Health Equity Approaches and Development \(AHEAD\) Model | CMS](#)
- Overview – [States Advancing All-Payer Health Equity Approaches and Development \(AHEAD\) Model Overview Webinar \(cms.gov\)](#)
- NOFO – grants.gov/search-results-detail/349644
- FAQs – [AHEAD Model Frequently Asked Questions | CMS](#)
- Health Affairs – [The AHEAD Model And The Potential To Advance Equity Through Population-Based Care | Health Affairs](#)
- KFF – [What is the Centers for Medicare and Medicaid Services' New AHEAD Model? |](#)
- Peterson-Milbank – [Considering the AHEAD Model: Lessons from States with Health Care Cost Growth and Primary Care Investment Targets |](#)



Thank You



<https://rupri.org/>



<https://stratishealth.org/>

