



Department of
Medicaid

Episodes of Care 101

Webinar

August 12, 2019

Contents

- **Goals**
- Background on payment innovation in Ohio
- Introduction to episodes and overview of design dimensions
- Next steps and questions

Context and objectives for this webinar

Context



- In 2015, the State of Ohio introduced an **episode-based payment model** to improve care quality and reduce healthcare costs
- The goal of the Episodes of Care program is to give providers **greater visibility** into their own performance through **improved transparency** on spend and quality
- Ohio has launched **43 unique episodes** since the program first began; 18 of these are currently tied to payment
- This is an introductory webinar to episodes that is followed by **Episodes 201**, which covers specifics on thresholding and reading provider reports

Goals for today's discussion



- Review the background of payment innovation in Ohio to date
- Understand the conceptual framework and design dimensions that define an episode

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Ohio's Value-Based Alternatives to Fee-for Service



Ohio's State Innovation Model (SIM) focuses on (1) increasing access to comprehensive primary care (CPC) and (2) implementing episode-based payments

Fee for service	Pay for Performance	Patient-Centered Medical Home	Episode-Based Payment	Accountable Care Organization
Payment for services rendered	Payment based on improvements in cost or outcomes	Payment encourages primary care practices to organize and deliver care that broadens access while improving care coordination, leading to better outcomes and a lower total cost of care	Payment based on performance in outcomes or cost for all of the services needed by a patient, across multiple providers, for a specific treatment condition	Payment goes to a local provider entity responsible for all of the health care and related expenditures for a defined population of patients

Ohio payment innovation progress to-date

 Focus of this session



Comprehensive Primary Care (CPC) program

1.2M+ unique patients included in the CPC model for 2019²
\$78.3M in enhanced payment delivered to support primary care practices through 2018



250 CPC practices in program year 2019
~10,000 primary care practitioners (PCPs) participating in CPC³



\$4.9B in total program spend out of a total \$20.1B in program-eligible spend

Episodes of care program¹

1.5M+ unique patients covered in 43 episodes

15,000+ Medicaid providers receiving reports as an episode principle accountable provider (PAP)⁴

\$2.9B in total program spend out of a total \$20.1B in program-eligible spend

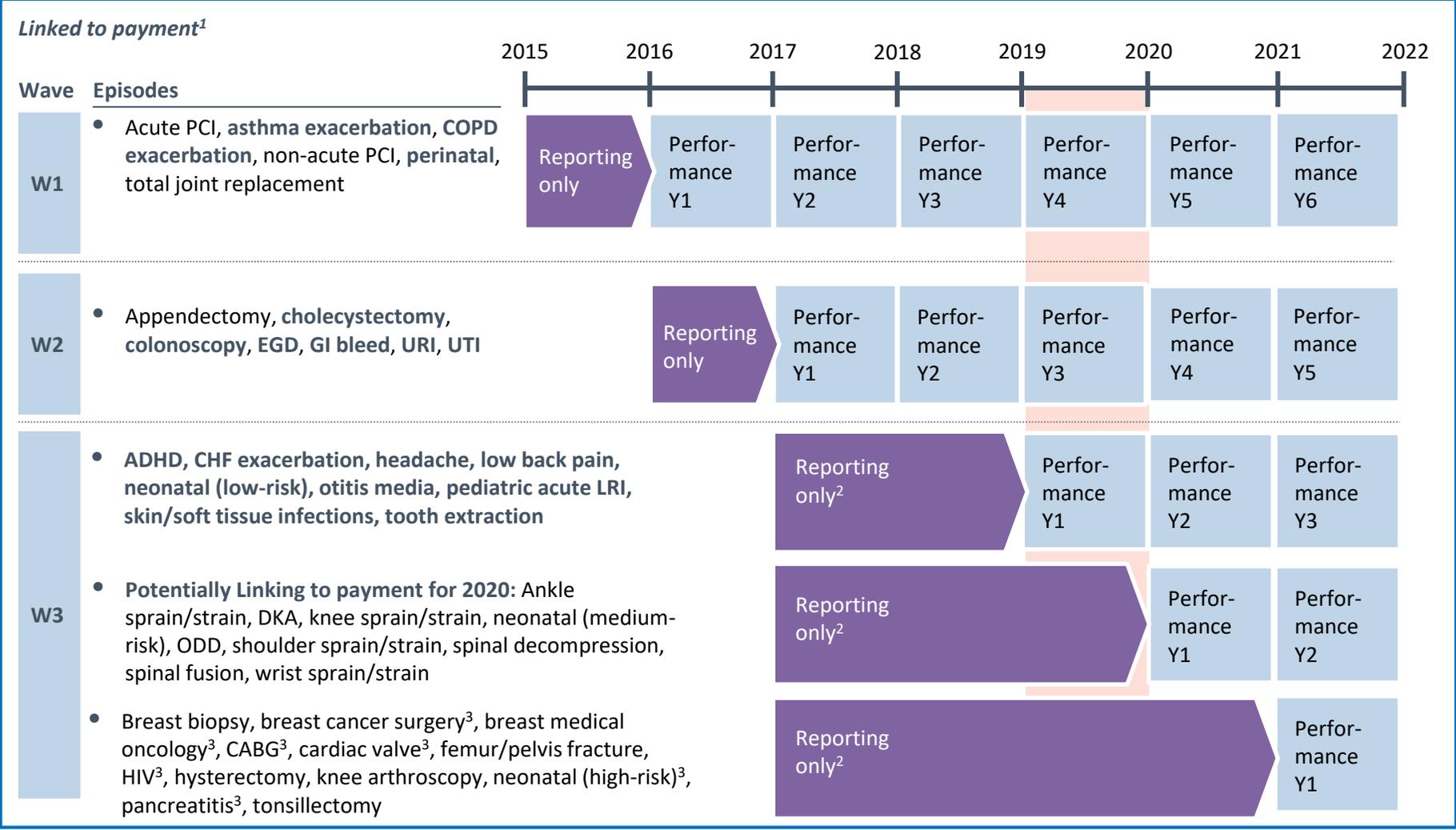
¹ All episode numbers are for CY2017
³ As of September 30, 2018

² Information as of March 31, 2019
⁴ All PAPs must have at least 1 valid episode to receive a report

Ohio Payer Partners in Payment Innovation – Episodes of Care program



Ohio has implemented the Episodes program in three waves, with Wave 3 episodes tied to payment starting in 2019 and beyond



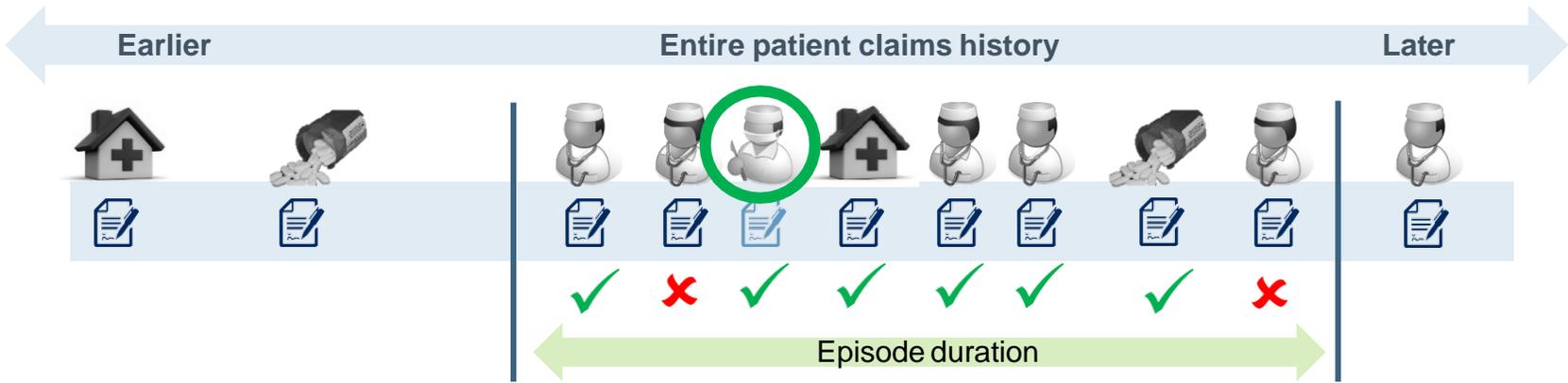
1 Payment episode status already determined for W1 and W2; W3 episodes will be tied to payment through 3-stage implementation with 9 episodes in the first stage in 2019
 2 Reporting for Wave 3 episodes extended through CY18 given need to incorporate physician feedback through reactive clinical process into episode design prior to performance periods
 3 Episodes staying in 'reporting-only' for a period to-be-determined, or indefinitely by design.

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Anatomy of an episode bundle

- An episode of care (“episode” or “EOC”) is defined as the set of **services provided to treat a clinical condition or procedure** for a defined duration
- These services occur **across the continuum of care** and can include: Extended care, Acute hospital care, Ambulatory care, Home care, Community Outreach, Wellness, etc.



Episode Parameters

Example of service

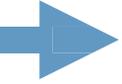
	Claim for significant medical “trigger” event	Hip replacement procedure
	Time period before and after the significant medical event where related claims will be included	30 days prior to 60 days post-op
	Claims that are related to the significant medical event and will be included in the episode	IP admission, physical therapy, medications
	Claims that are unrelated to the significant medical event and will not be included	Vaccinations, chronic condition medications
	Provider that will be accountable for the episode	Orthopedic surgeon

Ohio's episode model is retrospective, building on the current FFS infrastructure already in place

Patients seek and providers deliver care as they do today

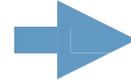
1 

Patients seek care and select providers as they do today



2 

Providers submit claims as they do today



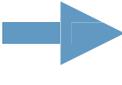
3 

Payers reimburse for all services as they do today

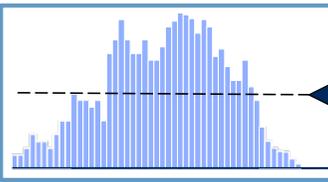
Calculate incentive payments based on outcomes after close of 12 month performance period

4 

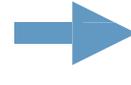
Review claims from the performance period to identify a 'Principal Accountable Provider' (PAP) for each episode



5 Payers calculate average risk-adjusted reimbursement per episode for each PAP



Compare to predetermined "commendable" and "acceptable" levels



6 Providers may

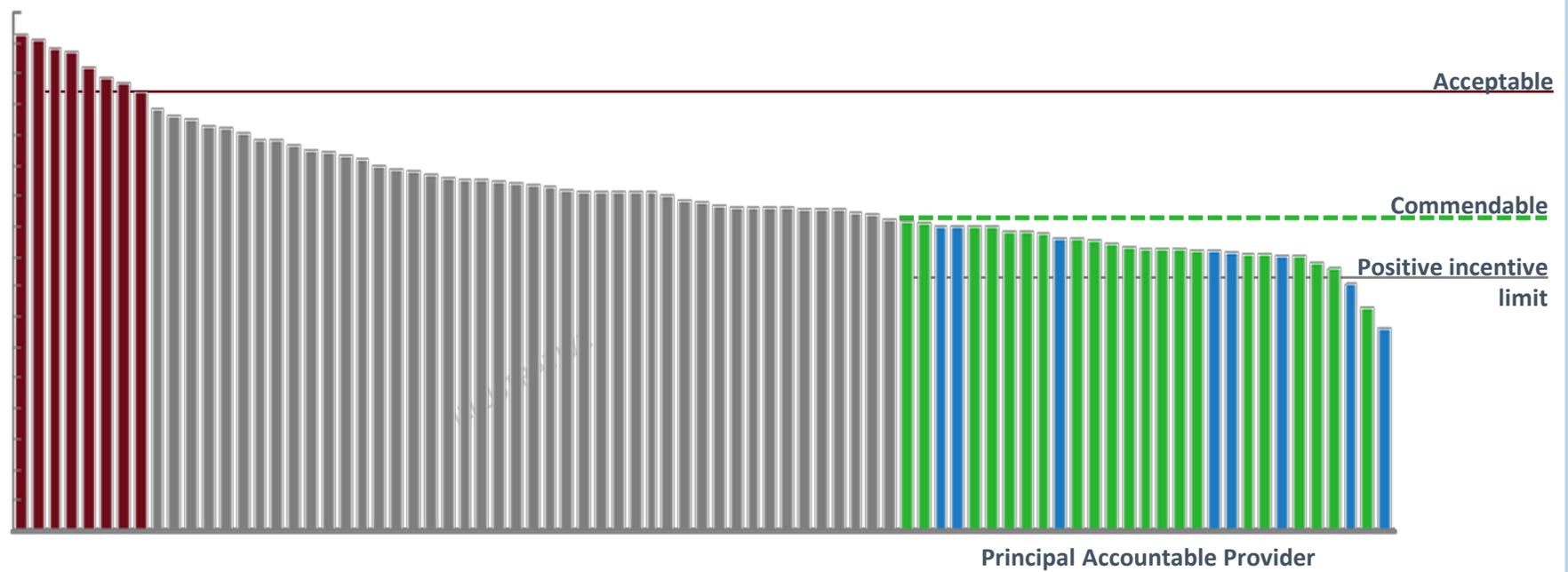
- **Share savings:** if average costs are below commendable levels and quality targets are met
- **Pay negative incentive:** if average costs are above acceptable level
- **See no impact:** if average costs are between commendable and acceptable levels

Retrospective thresholds reward cost-efficient, high-quality care

Provider cost distribution (average risk-adjusted reimbursement per provider)

- **Negative incentive**
- **No change**
No incentive payment
- **No Change**
Eligible for positive incentive payment based on cost, but did not pass quality metrics
- + **Positive incentive**

Avg. risk-adjusted reimbursement per episode
\$

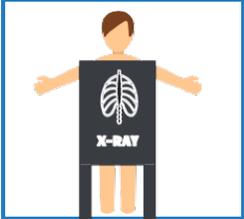


NOTE: Each vertical bar represents the average cost for a provider, sorted from highest to lowest average cost

Elements of the episode definition

Category	Description
1 Episode trigger	<ul style="list-style-type: none"> Diagnoses or procedures and corresponding claim types and/or care settings that characterize a potential episode
2 Episode window	<ul style="list-style-type: none"> Pre-trigger window: Time period prior to the trigger event; relevant care for the patient is included in the episode Trigger window: Duration of the potential trigger event (e.g., from date of inpatient admission to date of discharge); all care is included Post-trigger window: Time period following trigger event; relevant care and complications are included in the episode
3 Claims included	
4 Principal accountable provider	<ul style="list-style-type: none"> Provider who may be in the best position to assume principal accountability in the episode based on factors such as decision making responsibilities, influence over other providers, and portion of the episode spend
5 Quality metrics	<ul style="list-style-type: none"> Measures to evaluate quality of care delivered during a specific episode
6 Potential risk factors	<ul style="list-style-type: none"> Patient characteristics, comorbidities, diagnoses or procedures that may potentially indicate an increased level of risk for a given patient in a specific episode
7 Episode-level exclusions	<ul style="list-style-type: none"> Patient characteristics, comorbidities, diagnoses or procedures that may potentially indicate a type of risk that, due to its complexity, cost, or other factors, should be excluded entirely rather than adjusted

Episode archetypes and examples

	Planned procedures	Acute procedures	Acute emergent condition	Acute non-emergent condition	Acute symptomatic condition	Chronic condition
Archetype						
Example episodes	<ul style="list-style-type: none"> Total joint replacement Coronary artery bypass grafting (CABG) Upper endoscopy (EGD) Breast cancer surgery 	<ul style="list-style-type: none"> Acute percutaneous coronary intervention Appendectomy Perinatal Neonatal 	<ul style="list-style-type: none"> Asthma exacerbation Gastrointestinal hemorrhage Congestive heart failure Diabetic ketoacidosis (DKA) 	<ul style="list-style-type: none"> Upper respiratory infection Urinary tract infection Otitis media Skin and soft tissue infection 	<ul style="list-style-type: none"> Low back pain Headache 	<ul style="list-style-type: none"> HIV Breast medical cancer oncology Attention deficit and hyper-activity disorder (ADHD) Oppositional defiant disorder (ODD)

The episodes program can cover a **wide variety of care** – the next few pages explore the perinatal episode as one concrete example

1 All Wave 1 through Wave 3 episodes, excluding Tooth extraction
 2 A given member or claim may be in multiple episodes and archetypes

Patient journey: perinatal episode example

Patient suspects pregnancy, may take a home test, and makes appointment to confirm pregnancy

■ Potential episode trigger event

Prenatal care

- The expecting mother receives prenatal care such as office visits, screening and testing (e.g., genetic screening, drug tests)
- Factors influencing prenatal care quality include level of patient-centered care (e.g., PCMH, birth centering), timeliness and frequency of visits and risk-assessment (to make appropriate referrals and minimize ED visits)
- Supportive services may include psychosocial evaluation, counseling and education on topics including nutrition and breast feeding

Delivery

- The delivery, either vaginal or C-section, typically occurs in an IP setting and may involve varying levels of care
- Procedures performed may include induction, anesthesia/epidural, episiotomy, additional testing/screening
- Supportive services may include discussion of ancillary support, formal consultations, neonatal support, transportation

Postpartum care¹

The mother receives postpartum care such as follow-up visits, mental health evaluations, referrals, and education and counseling on topics including breast feeding and reproductive health planning including contraception

Potential complications¹
(e.g., bleeding, urination issues, postpartum depression, readmissions)

¹ Episode only includes care for the mother after delivery

Patient journey: perinatal episode example

Patient suspects pregnancy, may take a home test, and makes appointment to confirm pregnancy

■ Potential episode trigger event

Prenatal care

- The expecting mother receives prenatal care such as office visits, screening and testing (e.g., genetic screening, drug tests)
- Factors influencing prenatal care quality include level of

Appropriate and effective mix of prenatal care

- office visits and risk-assessment (to make appropriate referrals and minimize ED visits)
- Supportive services may include psychosocial evaluation, counseling and education on topics including nutrition and breast feeding

Delivery

- The delivery, either vaginal or C-section, typically occurs in an IP setting and may involve

Decrease utilization of elective interventions

- anesthesia/epidural, episiotomy, additional testing/screening

Ensure appropriate length of stay

- support, transportation

Postpartum care¹

The mother receives postpartum care such as follow-up visits, mental health evaluations,

Increase promotion of desired post-natal practices

health planning including contraception

Potential complications¹

Reduce unnecessary readmissions

¹ Episode only includes care for the mother after delivery

Episode definition: perinatal episode

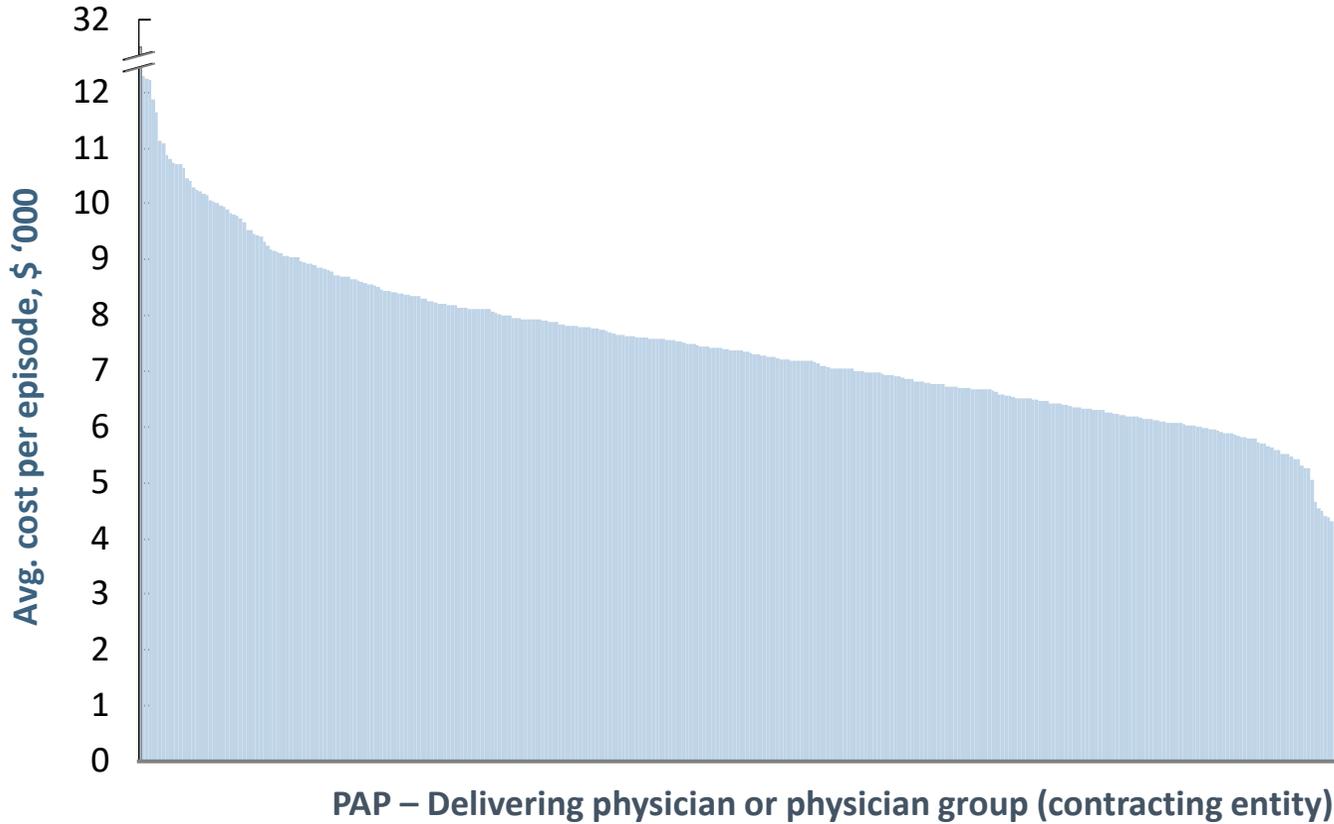
Category	Episode definition		
1 Episode trigger	<ul style="list-style-type: none"> A delivery Px code with a confirmatory live birth Dx on any claim type¹ 		
2 Episode window	<ul style="list-style-type: none"> <i>Pre-trigger</i>: Begins 280 days before delivery and ends on day prior to trigger window start <i>Trigger</i>: Starts on day of admission and ends on day of discharge <i>Post-trigger</i>: Begins day after discharge from delivery admission and ends 60 days later 		
3 Claims included	<ul style="list-style-type: none"> <i>Pre-trigger window</i>: Relevant prenatal care and complications (except excluded medications) <i>Trigger window</i>: All <i>Post-trigger window</i>: <ul style="list-style-type: none"> Relevant care and complications including diagnoses, procedures, labs, and pharmacy Readmissions (except those not relevant to episode) 		
4 Principal accountable provider	<ul style="list-style-type: none"> Physician or physician group responsible for the delivery (billing provider or contracting entity) 		
5 Quality metrics	<table border="0"> <tr> <td style="vertical-align: top;"> <p><i>Tied to payment:</i></p> <ul style="list-style-type: none"> Prenatal HIV screening rate C-section rate Percent of episodes with follow-up visit within 60 days </td> <td style="vertical-align: top;"> <p><i>For reporting only:</i></p> <ul style="list-style-type: none"> Prenatal GBS screening rate Percent of episodes with prenatal gestational diabetes screening Percent of episodes with prenatal hepatitis B screening Percent of episodes with chlamydia screening Ultrasound rate </td> </tr> </table>	<p><i>Tied to payment:</i></p> <ul style="list-style-type: none"> Prenatal HIV screening rate C-section rate Percent of episodes with follow-up visit within 60 days 	<p><i>For reporting only:</i></p> <ul style="list-style-type: none"> Prenatal GBS screening rate Percent of episodes with prenatal gestational diabetes screening Percent of episodes with prenatal hepatitis B screening Percent of episodes with chlamydia screening Ultrasound rate
<p><i>Tied to payment:</i></p> <ul style="list-style-type: none"> Prenatal HIV screening rate C-section rate Percent of episodes with follow-up visit within 60 days 	<p><i>For reporting only:</i></p> <ul style="list-style-type: none"> Prenatal GBS screening rate Percent of episodes with prenatal gestational diabetes screening Percent of episodes with prenatal hepatitis B screening Percent of episodes with chlamydia screening Ultrasound rate 		
6 Potential risk factors	<ul style="list-style-type: none"> Comorbidities (e.g., hypertension, diabetes, substance abuse, obesity, prior C-section) 		
7 Exclusions	<ul style="list-style-type: none"> Clinical (e.g., cystic fibrosis, cancer, end stage renal disease, HIV, paralysis) Business (e.g., dual coverage, inconsistent eligibility) Patients < 12 years old and > 49 years old Death in hospital, left AMA 		

1 The live birth code and delivery procedure code can occur on different claims but must occur within 7 days of each other

Provider performance: perinatal episode example

Distribution of provider average episode cost

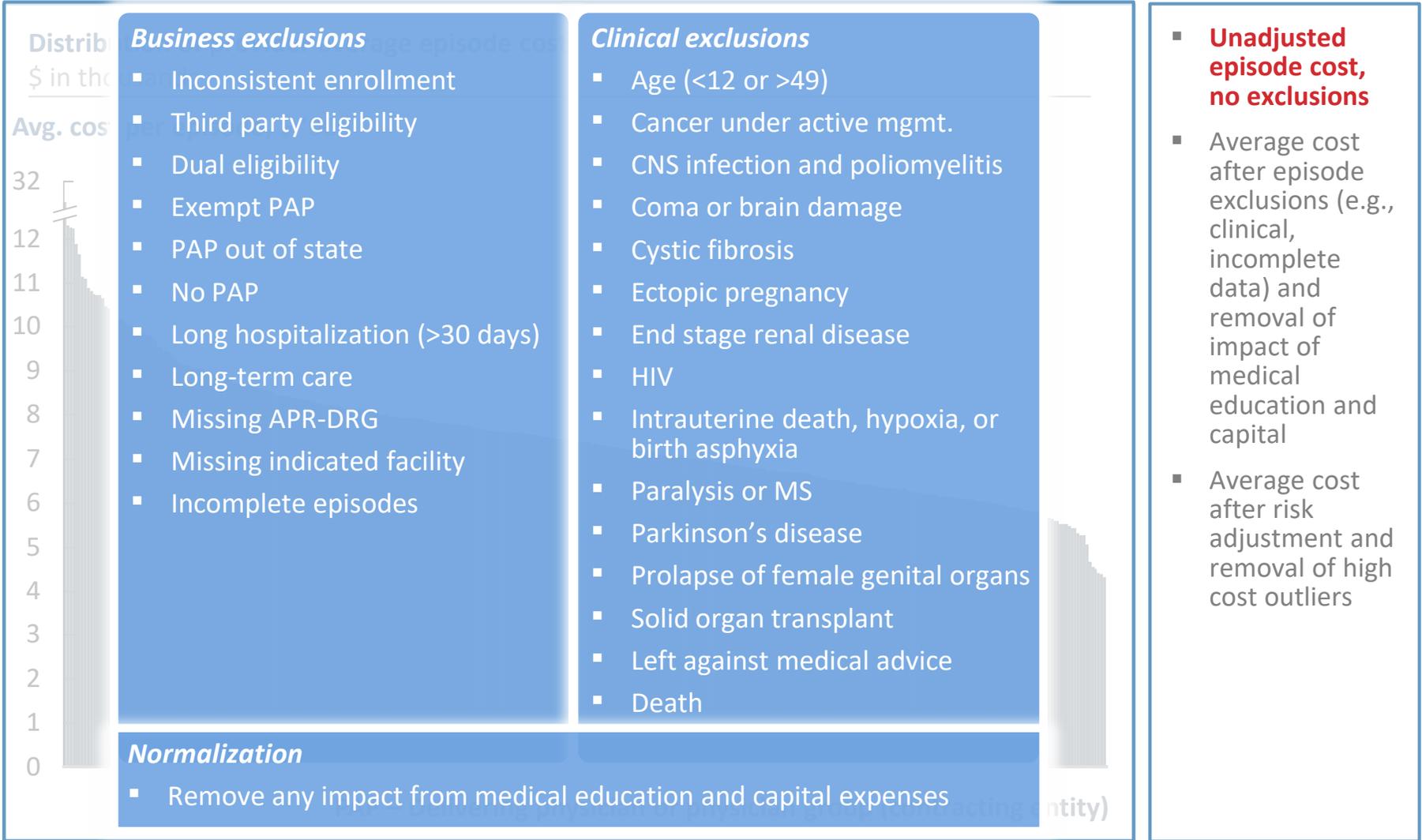
\$ in thousands



- **Unadjusted episode cost, no exclusions**
- Average cost after episode exclusions (e.g., clinical, incomplete data) and removal of impact of medical education and capital
- Average cost after risk adjustment and removal of high cost outliers

SOURCE: Ohio Medicaid claims data, CY2014

Provider performance: perinatal episode example

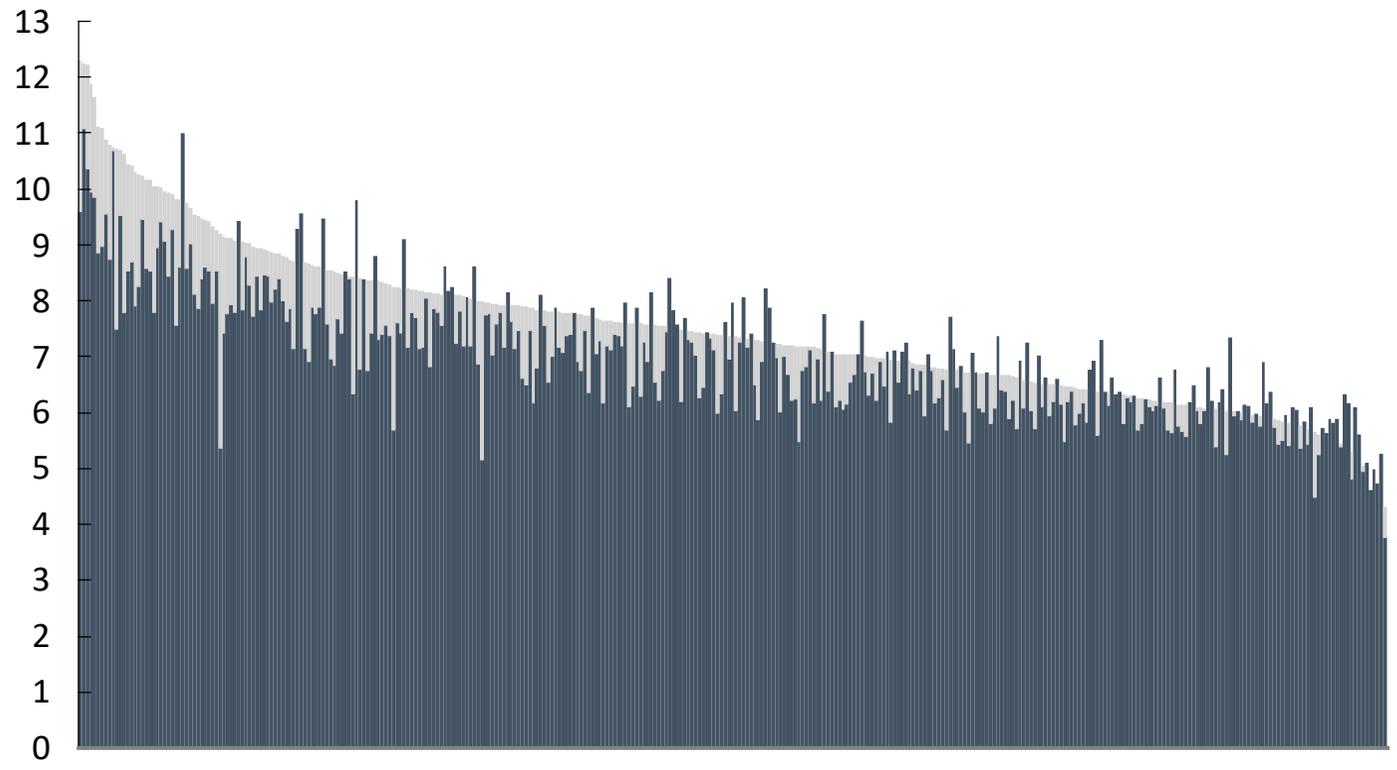


SOURCE: Ohio Medicaid claims data, CY2014

Provider performance: perinatal episode example

Distribution of provider average episode cost
\$ in thousands

Avg. cost per episode, \$ '000

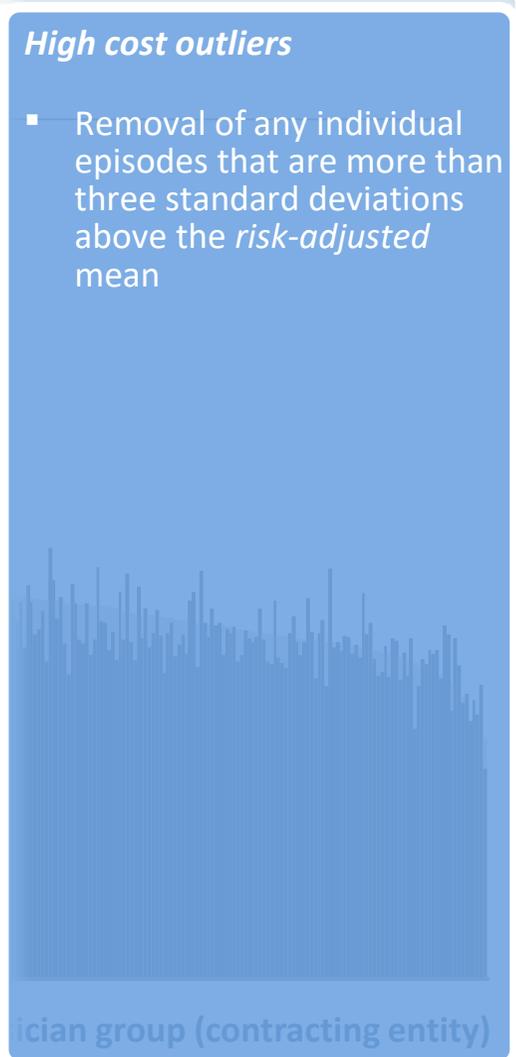


PAP – Delivering physician or physician group (contracting entity)

- Unadjusted episode cost, no exclusions
- **Average cost after episode exclusions (e.g., clinical, incomplete data) and removal of impact of medical education and capital**
- Average cost after risk adjustment and removal of high cost outliers

SOURCE: Ohio Medicaid claims data, CY2014

Provider performance: perinatal episode example



- Unadjusted episode cost, no exclusions
- Average cost after episode exclusions (e.g., clinical, incomplete data) and removal of impact of medical education and capital**
- Average cost after risk adjustment and removal of high cost outliers

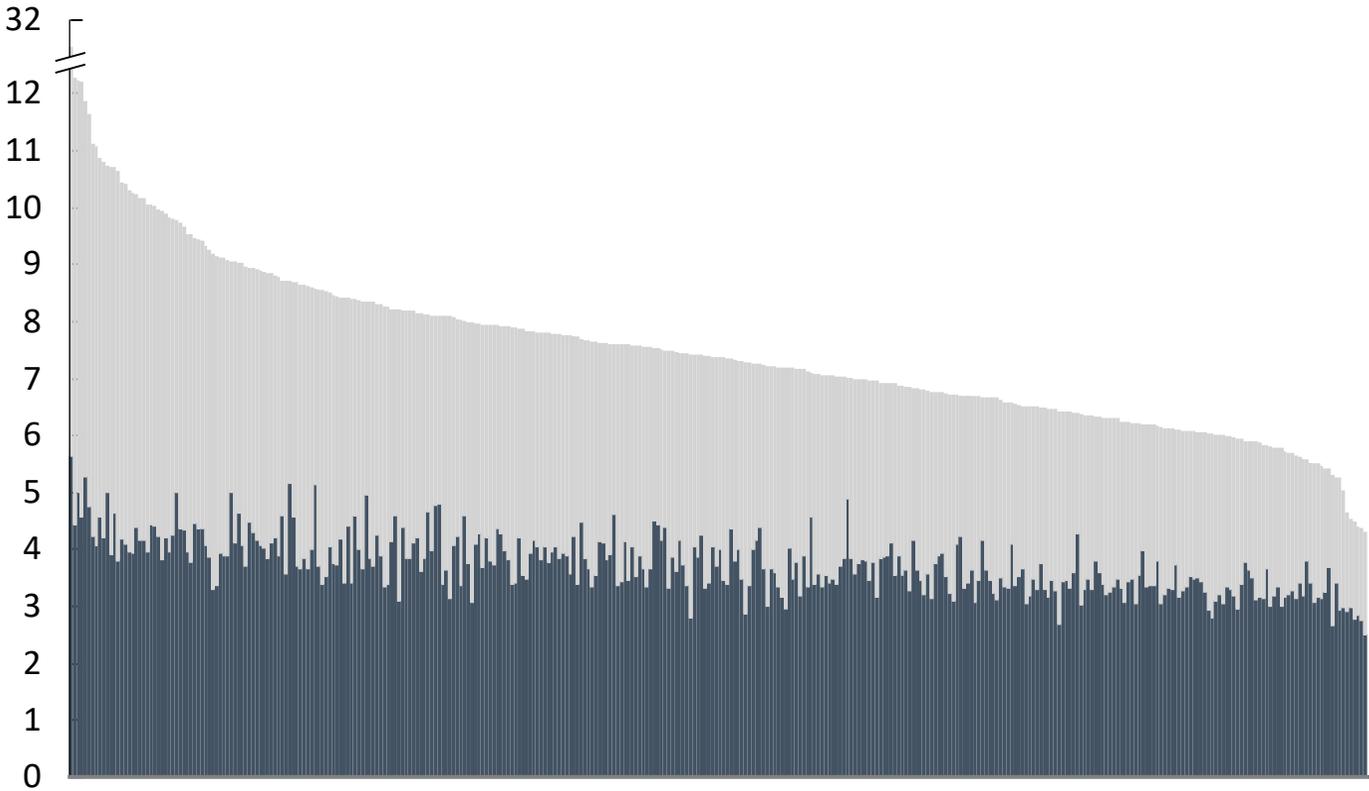
SOURCE: Ohio Episode-Based Payment Model Clinical Design Team definitions

Provider performance: perinatal episode example

Distribution of provider average episode cost

\$ in thousands

Avg. risk-adjusted reimbursement per episode, \$ '000



PAP – Delivering physician or physician group (contracting entity)

- Unadjusted episode cost, no exclusions
- Average cost after episode exclusions (e.g., clinical, incomplete data) and removal of impact of medical education and capital
- **Average cost after risk adjustment and removal of high cost outliers**

SOURCE: Ohio Medicaid claims data, CY2014

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Upcoming changes to the Episodes program

Additional details will be provided in subsequent webinars

Update	Description
<p>Shift to pooled performance calculations</p>	<ul style="list-style-type: none"> ▪ Historically, the Episodes program has set thresholds based on the all-Medicaid view but assessed PAP incentive payments at the individual MCP-level ▪ The state has decided to adopt a pooled approach to assess providers at the all-Medicaid view as part of model design changes for 2019 ▪ Webinar on this topic (“Updates for 2019 Performance Year”) is available online at: https://medicaid.ohio.gov/PROVIDER/PaymentInnovation/Episodes#1887211-episodes-webinars
<p>Perinatal episode refinement</p>	<ul style="list-style-type: none"> ▪ Focus on closing gaps in care for high-risk women, such as mothers with SUD, advanced behavioral health problems, or risk of pre-term birth ▪ Improved methods for comparing providers, including the addition of statistically significant clinical and social factors to the risk-adjustment model ▪ Additional transparency into neonate outcomes (e.g. gestational age, birth weight, mortality, spend) to create awareness and a sense of responsibility among OB/GYNs

Additional episode details can be found online



Wave 3: The following episodes are also planned for release in 2017:

- Attention deficit and hyperactivity disorder (concept paper, DBR, code sheet)
- Breast biopsy (concept paper, DBR, code sheet)
- Breast cancer surgery (concept paper, DBR, code sheet)
- Breast medical oncology (concept paper, DBR, code sheet)
- Coronary artery bypass graft (concept paper, DBR, code sheet)
- Cardiac valve (concept paper, DBR, code sheet)
- Congestive heart failure exacerbation (concept paper, DBR, code sheet)
- Diabetic ketoacidosis/ hyperosmolar hyperglycemic state (concept paper, DBR, code sheet)
- Headache (concept paper, DBR, code sheet)
- HIV (concept paper, DBR, code sheet)
- Hysterectomy (concept paper, DBR, code sheet)
- Low back pain (concept paper, DBR, code sheet)
- Neonatal (high-risk) (concept paper, DBR, code sheet)
- Neonatal (low-risk) (concept paper, DBR, [code sheet](#))
- Neonatal (moderate-risk) (concept paper, DBR, code sheet)
- Oppositional defiant disorder (concept paper, DBR, code sheet)

The Ohio Department of Medicaid website includes links to the following documents for each episode (<http://www.medicaid.ohio.gov/Providers/PaymentInnovation/Episodes.aspx>)

- **Concept paper:** Overview of episode definition including clinical rationale for the episode, patient journey, sources of value, and episode design dimensions
- **Detailed business requirements (DBR):** Description of episode design details and technical definitions by design dimensions
- **Code sheet:** Medical, pharmacy, and other related codes needed to build the episode, to be referenced with the DBR
- **Thresholds:** Spend thresholds and quality metric targets are available for episodes that are linked to payment.

In addition, instructions on how to read your episode reports and general FAQs are available on the website

If you haven't already....

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<https://medicaid.ohio.gov/Provider/PaymentInnovation/Episodes>

Additional Questions?

Appendix

Episode archetypes detail

Archetype	Episodes	Archetype	Episodes
Planned procedures	<ul style="list-style-type: none"> Breast biopsy Breast cancer surgery Cardiac valve replacement/repair² Cholecystectomy Coronary artery bypass grafting (CABG)² Colonoscopy Hysterectomy² Knee arthroscopy Non-acute percutaneous coronary intervention Spinal fusion Spinal decompression without fusion Tonsillectomy Tooth extraction Total joint replacement Upper endoscopy (EGD) 	Acute emergent condition	<ul style="list-style-type: none"> Pediatric lower respiratory infection Asthma exacerbation Chronic obstructive pulmonary disease (COPD) exacerbation Congestive heart failure Diabetic ketoacidosis (DKA) & hyperosmolar hyperglycemic state (HHS) Gastrointestinal hemorrhage Pancreatitis Wrist/knee/ankle/shoulder sprains (separate episodes)
Acute procedures	<ul style="list-style-type: none"> Acute percutaneous coronary intervention Appendectomy Hip/Pelvic fracture Neonatal (three episodes of varying complexities) Perinatal 	Acute non-emergent condition	<ul style="list-style-type: none"> Otitis media Skin and soft tissue infection Upper respiratory infection Urinary tract infection
Acute symptomatic condition	<ul style="list-style-type: none"> Headache Low back pain 	Chronic condition	<ul style="list-style-type: none"> Attention deficit and hyperactivity disorder (ADHD) Breast cancer medical oncology HIV Oppositional defiant disorder (ODD)

¹ These are the episodes that comprise of the analyses done on the prior pages (42 episodes total, excluding Tooth extract
² Procedure can be planned or emergent; intention is to limit episode inclusion to subset that are planned

Episode archetypes for which we create claim inclusion archetypes

Archetype	Description	Typical PAP	Common sources of value	Examples
Planned procedures	<ul style="list-style-type: none"> A procedural episode that is planned in advance of performing the procedure Procedure may or may not be specific to a set of underlying conditions 	<ul style="list-style-type: none"> Provider 	<ul style="list-style-type: none"> Effective use of imaging & testing Appropriate site of care / length of stay Reduce repeat procedures Reduce potential complications and readmissions 	<ul style="list-style-type: none"> Medical: Bariatric surgery, CABG, cholecystectomy, colonoscopy, hernia procedures, mastectomy, non- acute PCI, total joint replacement, tonsillectomy, EGD, valve replacement/repair Behavioral health: electroconvulsive therapy¹
Acute procedures	<ul style="list-style-type: none"> A procedural episode that is not pre-planned, and generally occurs in an emergency department or inpatient setting There may be an expectation of continued care prior to an unplanned procedure (e.g., delivery of baby) Generally the procedure is specific to a set of underlying conditions 	<ul style="list-style-type: none"> Provider or facility 	<ul style="list-style-type: none"> Appropriateness of procedure Appropriate site of care / length of stay Employ evidence-based choice of therapies / medications Reduce potential complications and readmissions 	<ul style="list-style-type: none"> Medical: Appendectomy, hip/pelvic fracture, acute PCI, perinatal Behavioral health: detoxification¹
Acute emergent condition	<ul style="list-style-type: none"> A diagnosis-based episode where the patient presentation is unplanned and they need immediate care Often treated in emergency department or inpatient settings 	<ul style="list-style-type: none"> Facility 	<ul style="list-style-type: none"> Employ evidence-based choice of therapies / medications Appropriate site of care / length of stay Appropriate follow-up care and increased compliance Reduce readmissions or repeat events 	<ul style="list-style-type: none"> Medical: Asthma acute exacerbation, COPD acute exacerbation, diabetes exacerbation, GI hemorrhage Behavioral health: suicide attempt
Acute non-emergent condition	<ul style="list-style-type: none"> A diagnosis-based episode that is deemed to be non-emergent, where the patient presentation is unplanned but they are not in need of urgent care Often treated in outpatient or physician office settings 	<ul style="list-style-type: none"> Provider 	<ul style="list-style-type: none"> Appropriate site of diagnosis Effective use of imaging & testing Proper antibiotic selection when clinically indicated Efficient follow-up care Reduce complications 	<ul style="list-style-type: none"> Medical: Cellulitis, otitis, URI, UTI Behavioral health: anxiety attack²
Acute symptomatic condition	<ul style="list-style-type: none"> A diagnosis-based episode that is deemed to be a symptom of other conditions 	<ul style="list-style-type: none"> Provider or facility 	<ul style="list-style-type: none"> Effective use of imaging & testing Proper prescriptions of medications Appropriate use of surgical intervention Reduce recurrent visits or admissions 	<ul style="list-style-type: none"> Medical: Headache, lower back pain Behavioral health: acute reaction to stress²
Chronic condition	<ul style="list-style-type: none"> An episode that reflects the management of a chronic condition 	<ul style="list-style-type: none"> Provider 	<ul style="list-style-type: none"> Proper prescription of medications tailored to each patient, using generic when effective Appropriate volume of therapy visits Reduce ED visits /inpatient admissions 	<ul style="list-style-type: none"> Medical: Chemotherapy, HIV, Hepatitis C Behavioral health: ADHD, ODD, schizophrenia, depression, bipolar disorder

¹ Not currently a planned episode to address

² Currently within the anxiety episode