Meeting Notes
PAP June 19, 2007

Following introductions, Jim Edge and Lynn Read provided opening remarks addressing the purpose of the Policy Advisory Panel (PAP) and the role it will play in developing rates for the OHP.

Bob DiPrete reviewed a one-page summary of the approach to work envisioned for the PAP, including four policy guidelines as a beginning framework. Jim Edge then summarized the letter of appointment from DHS Administrator Bruce Goldberg, MD, including a description of how the PAP will interface with the Actuarial Services Technical Advisory Panel (ASTAP), the actuary, and policy decision-makers.

The PAP then began a discussion of the policy guidelines, and Cindy Becker suggested the following additions:

- A guideline addressing transparency and clarity for the process and outcomes of the PAP
- A guideline addressing the connection between the effectiveness of a) primary care (including preventive care) and b) the continuity and management of overall care through an identified, accountable provider. An ancillary guideline might address the importance of structuring payments to support this connection and to incent the provision of primary care and preventive services by paying for healthy outcomes.

Craig Hostetler posed the question whether the PAP should concern itself with payments only or also with what is being purchased. Bob DiPrete suggested that value-based purchasing could be more effective if the PAP is aware of benefits and services covered under the OHP. Craig also pointed out that the PAP should define what it means by primary care case management (often referred to as a 'medical home'), how this management of care should be paid for, and how to avoid "punishing providers for doing a good job at prevention".

It was requested that the PAP process include sufficient time to review developments in the development of per capita costs and capitation rates.

Jim Edge pointed out that the PAP should examine how the delivery system ought to look if it is to meet policy objectives identified for the OHP, and Jim Russell mentioned prospective modeling as an option to consider.

Kevin Campbell suggested that budget cuts should be developed based on health outcomes rather than just on which cuts would preserve the most federal match.

Craig Hostetler pointed out that as we discuss outcomes and the importance of primary and preventive care managed through a care manager, there is a great deal of overlap between health care and public health, and that this connection should be part of PAP discussions and recommendations.

Lynn Read raised the importance of bearing in mind the timeframe for DHS budget development, including policy option packages (POPs). Tina Edlund suggested that the PAP might view POP development as a way to position policy recommendations for consideration by CMS.

Lynn Read suggested that the PAP may want to consider using the physician incentive model (proposed by OHP contracting health plans to augment physician payments and increase access to care) as resource to development of the 'medical home' concept.

Brent Eichman suggested considering a charter for the PAP identifying its scope of work, giving first priority to assuring that the rate setting process conforms with OHP policy, and second priority to examining broader policy issues.

Lynn Read pointed out that it might increase the effectiveness of rate development if the trend period were extended beyond the current 52-month period, by 4 or 6 additional months.

Lynn also noted that there is an immediate issue for the PAP July meeting Related to risk adjustments. It is expected policy issues will be identified at the ASTAP meeting and these will be framed for discussion at the next PAP meeting.

It was pointed out that incentivizing wellness through prevention is an issue with implications at the individual and system levels, and that the PAP should address both.

The following were identified as needing further analysis as a step toward developing policy recommendations:

- Regarding the "medical home" issue, it was agreed that OHPR would work with Craig Hostetler to identify plans and experience in other states implementing this concept
- Regarding incentivizing wellness through prevention, two issues were noted:
    - First, that the physician incentive model might offer a way to create financial incentives for more effective preventive care (e.g., higher rates of full immunization in two-year-olds)
    - Second, that rate adjustments based on outcomes should reflect services prevented as well as services provided

More generally, it was noted that Program Enhancement Recommendations to DHS might be the most effective format for the transmittal of PAP analysis to policy makers.