COPE HEALTH SOLUTIONS

Calling All DCEs: Here Are Your Priorities Now and in 2022

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Provider and payer success in Medicare Direct Contracting (MDC), a voluntary program for fee for service beneficiaries, hinges on earning member loyalty through a strong care infrastructure and provider referral network.

The pace and path forward differs a bit depending on whether you are one of the 53 MDC Direct Contracting Entities (DCEs) that launched April 1 or if you are an accepted DCE that deferred your start date until January, 2022. If you are underway, the next few months will be crucial for nailing down the fundamentals. If you deferred, you should be starting now to lay important groundwork while taking to heart the key lessons from the April MDC pioneers.

At the time of this article's release, CMS announced that it will not be accepting any new 2022 MDC DCE applications. It is unclear whether this may change or whether there will be future year application opportunities.

DCEs implementing in April 1, 2021 must focus on these key strategies:

1. Manage to clear performance targets

Having and managing to performance targets is crucial to ensuring that the DCE is able to achieve quality and shared savings goals. A strong data analytics and data-sharing platform is essential from the outset to establish and adjust targets. Practice- and provider-level performance and benchmarking is important in supporting network management. This information should be transparent and made available to providers to ensure they are able to course-correct in time to impact the abbreviated performance year.

2. Prioritize physician engagement

After establishing a network with the desired panel size and required specialties to start, DCEs must ensure physicians are engaged, empowered, and educated on the tools available to them and their patients and are clear on the merits of the MDC program. This includes sharing performance data, providing any centralized care management services or other tools, supporting voluntary alignment and benefit enhancements, and ensuring clarity on the value proposition of joining your DCE. Over the five years of the program, DCEs will need to continue to scale with a focus on high performers who are willing to engage with the DCE as well as support enhanced performance of existing provider partners.

3. Ensure that keeping care in the DCE is the easiest choice

A funds flow and contracting strategy that encourages in-DCE referrals is an essential underpinning. DCEs should educate physicians to ensure they understand the impact of out-of-network referrals on their shared savings. Similarly, providers should be made aware of the performance of the specialists to whom they refer their patients. Further, tracking and reporting out-of-network referrals heightens physician accountability. Providing a seamless, well-coordinated beneficiary experience will reinforce the advantages of tight, in-network care delivery.

4. Make medical management and care management a core competency

Clinical strategy must drive quality through value-driving programs. Deploy targeted care management initiatives to support beneficiaries across all product lines. Put credible physician-level performance data in front of physicians along with the actions required to improve performance.

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5. Develop and deploy strategies for patient engagement

DCEs need to keep a focus on beneficiary satisfaction and voluntary alignment given the inevitable churn and the requirement for some models to grow attribution year over year. What value are you offering to persuade beneficiaries to align in the first place? How are you helping your primary care physicians to present this option?

Beneficiary retention and capturing a greater share of the Medicare premium depend on strong patient satisfaction and engagement. Leverage network and beneficiary engagement tools to raise member satisfaction both at site of care and with more centralized and community wellness activities.

6. Execute a risk management strategy and budgeting approach to capitalize on cash flow benefits

Participants will receive either Primary Care Capitation, a capitated, risk-adjusted monthly payment for enhanced primary care services or Total Care Capitation, a capitated, risk-adjusted monthly payment. Because the DCE receives upfront payments or monthly payments per aligned beneficiary instead of waiting to be reimbursed for service, it will need to set aside capital for potential downside and potential operating losses. In other words, both operating capital and risk- based capital reserves are crucial and likely required by state regulators. Similarly, the DCE will need to have a well-thought-out plan for targeted investments in population health and care management infrastructure.

No time to waste for DCEs that have been accepted but opted for a January, 2022 implementation

In addition to the six steps above, 2022 DCEs have other important work to accomplish before their start date. They include refining foundational elements of clinical efficiency, provider recruitment, finance and analytics.

1. Gather intel about beneficiaries and practice patterns

With more lead time, previous participants in the Medicare Shared Savings ACO program can analyze historical data to get a handle on potential for attribution of FFS members. If a medical practice already participates in Medicare Advantage, this provides additional data to examine performance with a roughly similar population and determine which doctors to move over to MDC. Referral management must promote “stickiness” in the DCE and its participant providers to drive alignment. Data systems must monitor and tightly manage alignment to quickly identify churn or attrition so you can take action. As the network is finalized for 2022, this insight can inform provider contracting strategy crucial for meeting stringent alignment thresholds and promoting beneficiary retention.

2. Build/improve core population health infrastructure

Controlling the cost of care requires care management infrastructure and aligned care model across all lines of business to tightly manage high-risk, high-cost members. The elements of effective care management include organizational culture, co-located care providers and care managers, customized care and patient buy-in. These core capabilities take time to build but must become everyday best practices.

3. Inspire providers to peak performance

Practice providers will be spokespeople for the capitated provider network or plan and have the incentive to grow voluntary membership. To motivate the best providers, take the time to develop a thoughtful and transparent funds flow and contracting strategy. Comparative provider data must be credible, actionable and available at the time of care.

4. Improve documentation of hierarchical condition categories (HCC)

It’s important to ensure that all care with appropriate documentation is made because it will affect your benchmarking and capitation payments. At the same time, you can use your HCC scores to understand the relationship between your performance and regional benchmarks. Plan for true-ups and reconciliations in the budget based on condition data and attributed member care patterns.

5. Be prepared to track your performance against pro forma projections.
Understand and monitor key drivers of revenue, cost and potential gain or loss using your well-informed pro forma. Assess need for re-insurance, either through CMS/CMMI or in the private market. Align funds flow if possible with other value-based payment programs with aligned physicians.

Whether now or in 2022, MDC offers the opportunity to expose Medicare fee-for-service patients to the value of proactive care found in Medicare Advantage managed care programs. It also allows health plan entry into Medicare FFS line of business, increasing revenue capture and better addressing the needs of dually eligible beneficiaries. For both plans and providers, they can leverage the costs and opportunities of their Medicare Advantage managed care infrastructure to fee-for-service beneficiaries.

For a broader discussion about what it takes to succeed with MDC, please watch our webinar Medicare Direct Contracting: What Providers and Payers Need to Succeed, March 2021.