

# MEMORANDUM OF UNDERSTANDING BETWEEN THE CENTER FOR MEDICARE & MEDICAID INNOVATION AND [PAYER] IN [MARKET] FOR THE COMPREHENSIVE PRIMARY CARE INITIATIVE

## I. Purpose and Scope

The purpose of this Memorandum of Understanding (“MOU”) between the Center for Medicare & Medicaid Innovation (“Innovation Center”) and [PAYER] is to outline a multi-payer initiative to strengthen primary care, known as the Comprehensive Primary Care initiative. The Comprehensive Primary Care initiative will seek to strengthen freestanding primary care capacity by testing a model of comprehensive, accountable primary care supported by multiple payers. Broadly, the initiative aims to achieve better health, better health care and lower costs for all patients in [MARKET]. For the purposes of this initiative, the [MARKET] market will include [list of counties or designate state-wide].

Payers participating in this initiative responded to the Innovation Center’s Solicitation of September 28, 2011 because they believe that while there are many paths towards a better health care system, all of them will involve substantially strengthening primary care. Recognizing that the impact of any one payer alone is limited, the payers in this initiative have committed to establishing an approach that is coordinated with that of the Innovation Center to transform the way in which primary care is practiced and financially supported in the practices selected for this initiative.

Over the next four years, the Comprehensive Primary Care initiative will evaluate whether a core set of comprehensive primary care functions, coupled with payment reform, enhanced data to guide practice improvement, and the meaningful use of health information technology can achieve better health, better health care, and lower costs through continuous improvement. [PAYER] will work to implement strategies in [MARKET] that align with the approach developed by the Innovation Center to achieving comprehensive primary care described in the Solicitation. Practices selected for this initiative will be held accountable for accomplishing the core set of comprehensive primary care functions outlined in the Solicitation.

The findings of this initiative may be used to inform future Medicare and Medicaid payment and program decisions. The payers in this initiative believe that reimbursement designed to deliver the five comprehensive primary care functions outlined in the Solicitation is a potential sustainable business model for all payers. These payers aspire to become a learning community that will lead the nation’s efforts to transform health care and leverage the potential of public-private partnerships.

This Memorandum of Understanding serves to memorialize the Innovation Center and [PAYER]’s respective commitments to the initiative in a public, transparent fashion. The MOU itself will be a public document, with the exception of the terms of [PAYER]’s financial commitment to the initiative, which are contained in Appendix 1. The Innovation Center considers these terms to be proprietary in nature, and will not publicly disclose them.

Thus, to achieve this vision of comprehensive primary care, [PAYER] and the Innovation Center enter into this Memorandum of Understanding setting forth the following commitments.

## **II. Commitment to Enhanced Financial Support for Participating Primary Care Practices**

1. [PAYER] will provide the level and method of enhanced, non-visit-based financial support to participating primary care practices set out in Appendix 1. [PAYER] has designed this support to allow participating primary care practices to invest in the infrastructure, staffing, education and training necessary for delivery of the five comprehensive primary care functions outlined in the Solicitation.
2. The Innovation Center will provide participating primary care practices with an average \$20 per-beneficiary-per-month care management payment on behalf of Medicare fee-for-service beneficiaries, in addition to their traditional fee-for-service payments. These care management payments will range from \$8 to \$40 and will be risk-adjusted based on the hierarchical condition category (HCC) risk score that CMS has calculated for each beneficiary. In Years 3 and 4 of the initiative, the Innovation Center's care management payment will be reduced to an average of \$15, adjusted for respective reduction in the risk tiers, to reflect efficiencies gained and to help shift support to accountable forms of payment.
3. The Effective Market Start Date is the beginning of the accrual of payment commitments. [PAYER] and the Innovation Center will each provide participating primary care practices with their first monthly non-visit-based care management payment no later than 60 days after the Effective Market Start Date of [MARKET START DATE].
4. No later than 24 months after the start of the initiative, [PAYER] and the Innovation Center will each begin offering participating primary care practices opportunities to share a portion of any savings achieved during the previous performance period through the delivery of high quality and efficient health care. [PAYER] and the Innovation Center will each provide participating primary care practices with reasonable notice and information about their proposed shared savings methodologies.
5. Where applicable, [PAYER] will include the Administrative Services Only (ASO) lives it committed to in its application to CMS in this initiative. After [PAYER] has signed this MOU, [PAYER] will use best efforts to bring as many members as possible from its ASO lines of business into this initiative, including through (but not limited to) undertaking outreach to its ASO customers in [MARKET] to explain the value of participation.

## **III. Commitment to Sharing Data with Participating Primary Care Practices**

1. [PAYER] and the Innovation Center have a shared goal of providing participating primary care practices with actionable data relating to total cost of care and utilization to support practices in achieving better health, better care, and lower costs. [PAYER] and the Innovation Center will

each provide practices with data within their respective ownership/control about the total cost of care and utilization of services for their respective beneficiaries/enrollees/members at least quarterly. [PAYER] shall send the first such data report no later than [DATE]. Nothing in this Memorandum of Understanding requires [PAYER] to share cost or utilization information with the Innovation Center or any other participating payer.

2. [PAYER] and the Innovation Center will each provide practices with lists of attributed beneficiaries at the beginning of each attribution period. [PAYER] and the Innovation Center will each develop processes to receive input on their beneficiary attribution methodologies from participating primary care practices. [PAYER] and the Innovation Center will both make reasonable efforts to modify their methodologies based on general feedback from practices in the market.
3. [PAYER] and the Innovation Center have a shared goal of allowing primary care practices to more effectively analyze and apply data to transform their delivery of care. [PAYER] and the Innovation Center will work with other participating payers in [MARKET] to produce a written plan by [DATE] that outlines how participating payers will transition to a common approach for sharing data with participating primary care practices. [PAYER] and the Innovation Center will work with other participating payers in [MARKET] to fully execute the strategy contained therein no later than Jan 1, 2014.
4. Notwithstanding the above, if an appropriately structured and protected multi-payer claims data system exists or can be created in [MARKET] to support common approach for sharing data with participating primary care practices, the Innovation Center and [PAYER] will submit its data to this system. If an appropriately structured and protected multi-payer claims data system does not exist or cannot be created in a timely fashion, the Innovation Center and [PAYER] will each develop its own mechanism to enable participating primary care practices to review relevant claims data and analyses on the payer's attributed beneficiary populations.
5. To protect patient privacy and security, the Innovation Center and [PAYER] will each respectively manage data use agreements with each participating practice per their own rules and regulations.

#### **IV. Commitment to Aligning Quality Measures**

1. The Innovation Center will collect data from participating primary practices on a core set of quality measures, as set forth in Appendix 2. These measures are consistent with well-established quality measures used in other Centers for Medicare and Medicaid Services and Department of Health and Human Services initiatives. As part of ongoing discussions, the Innovation Center will share findings and trends related to these quality measures with participating payers.
2. The Innovation Center and [PAYER] will work with other participating payers in [MARKET] to align their quality measures and definitions to the maximum extent possible by [DATE].

## **V. Commitment to a Common Approach towards Milestones and Accountability for Participating Practices**

1. The Innovation Center will use a national set of primary care practice milestones for each year of the initiative. The specific transformation expectations for participating primary care practices in Year 1 are set forth in Appendix 3. The Innovation Center and [PAYER] will aspire to progressively align the requirements in their respective practice agreements with similar milestones in Years 2, 3, and 4.
2. The Innovation Center and [PAYER] share the goal of congruent expectations for participating primary care practices. Except as may be required by state or federal law, [PAYER] agrees to not adopt requirements, incentives, or measures that conflict with the primary care practice milestones that the Innovation Center has set forth in Appendix 3. [PAYER] also agrees to discuss any payer-specific milestone requirement or measure that it wishes to impose on participating primary care practices with the collaborative body established in Section VII.A and to use best efforts to accommodate the recommendations of the collaborative body.

## **VI. Additional Commitments to Implementing the Comprehensive Primary Initiative in [MARKET]**

1. The Innovation Center will conduct a practice application process that will allow all eligible primary care practices in [MARKET] to apply to participate in this initiative. The Innovation Center will release the practice application to primary care practices in [MARKET] no more than 2 weeks after this MOU is signed. The Innovation Center will hold the application open for a period of no more than 6 weeks. Subject to applicant approval, the Innovation Center will provide participating payers with lists of eligible applicant practices in batches during the application process to allow them to prepare their contracting process with respect to their participation in the CPC Initiative. The Innovation Center will provide participating payers with the identities of the selected practices on or by August 10, 2012.
2. In addition to the commitments to participating practices outlined in the Solicitation and herein, the Innovation Center will also provide the following in support of [PAYER]'s above commitments:
  - a. The Innovation Center will hire an independent contractor to evaluate the impact of the initiative on health, care experience, and cost and will make these results available to stakeholders involved in the initiative, including [PAYER], as well as the general public.
  - b. The Innovation Center will execute agreements with participating practices and monitor them to ensure that practices are meeting designated milestones for building the capacity and infrastructure necessary to deliver comprehensive primary care. Practice agreements will reflect the fact that annual renewal is contingent on successful attainment of those milestones. Additionally, the Innovation Center will monitor practices to ensure that access to appropriate care and medically necessary services is not being compromised for Medicare beneficiaries.

- c. The Innovation Center will provide participating practices with readiness assessments, patient risk tools, and educational offerings to enable practices to accelerate performance improvement and practice transformation. The Innovation Center will offer additional opportunities to participating practices and payers to exchange their experiences with other practices and payers in the Comprehensive Primary Care initiative as well as other Innovation Center programs through learning collaboratives.
3. The Innovation Center will provide public outreach around the Comprehensive Primary Care initiative, including but not limited to beneficiary communications.
4. [OPTIONAL: Additional payer-specific commitments to practices and/or the Initiative more broadly]

## **VII. Collaborative Engagement**

1. [PAYER] will attend the meetings of a collaborative body composed of the Innovation Center, participating payers, and other Comprehensive Primary Care initiative stakeholders, including but not limited to representatives of patients, providers, employers, and the government. This body shall meet regularly to evaluate the initiative in [MARKET], to establish and implement shared monitoring and evaluation frameworks, and to resolve emergent issues. This body will not provide advice to a federal agency or official as a group.
2. Should [PAYER] not abide by its commitments as set forth in this MOU and Appendix 1, the Innovation Center reserves the right to remove inclusion of [PAYER] from all materials related to the Comprehensive Primary Care initiative.
3. The Innovation Center's decision to pilot the Comprehensive Primary Care initiative in [MARKET] relied, in part, on the commitments set forth in [PAYER]'s response to the Solicitation and Appendix 1. To the extent that these commitments are not carried out, the Innovation Center reserves the right to terminate its participation in this initiative in [MARKET]. All payers will thus have a shared interest in other payers fulfilling their commitments.
4. [PAYER] and the Innovation Center each agree not to use the other party's logos in any communications without prior approval and to use such logos only in accordance with applicable law. Nothing in this MOU alters CMS' Medicare Marketing Guidelines that apply to Medicare Advantage Plans, Medicare Advantage Prescription Drug Plans, Prescription Drug Plans, and 1876 Cost Plans.
5. [PAYER] and the Innovation Center will each make reasonable good faith efforts to resolve in a timely fashion any issue that compromises either party's ability to meet a commitment set forth in this MOU.
6. [PAYER] and the Innovation Center will each make reasonable good faith efforts to achieve the market-based timelines for data sharing and quality measure alignment set forth in this MOU.
7. From time to time, an Evaluation contractor hired by the Innovation Center will contact [PAYER]. [PAYER] agrees to cooperate with any and all such interviews.

**VIII. Amendments**

1. This Memorandum of Understanding should be viewed as a living document. It may be revisited during the course of the initiative but no more than once annually.

<b>[PAYER]</b>	<b>CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>
_____	_____
<b>Signature:</b>	<b>Signature:</b>
_____	_____
<b>Name:</b>	<b>Name:</b>
_____	_____
<b>Title:</b>	<b>Title:</b>
_____	_____
<b>Date:</b>	<b>Date:</b>
_____	_____

Appendices:

1. Application and clarifications
2. Quality measures
3. Practice milestones