



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



**Contract with Novant Medical Group for
Patient Centered Medical Home Pilot
Request for Approval**

Board of Trustees Meeting

February 11, 2015

A Division of the Department of State Treasurer

Contract Approval Required by Statute

North Carolina General Statutes §135-48.22 and §135-48.33(a) require that the BOT approve all Plan contracts with a value over \$500,000.

The cost of this contract over the two year pilot initiative is estimated to be between \$655,128 and \$1,082,592.

This contract is exempt from Department of Administration Purchase & Contract rules pursuant to §135-48.34 as a provider contract.

Strategic Plan – Improve Members’ Health

- **Initiative:**

Maximize Patient Centered Medical Home (PCMH) effectiveness

- **What it Means:**

The PCMH model is a way of organizing primary care that emphasizes care coordination and communication to transform primary care to include population health management. Medical homes can lead to higher quality and lower costs, and can improve patients’ and providers’ experience of care.

- **What We Will Do:**

Support providers and practices in serving as a PCMH through data analytics, care management, and/or enhanced payment through the Population Health Management Services vendor to designated PCMH groups.

PCMH Pilot

- The PCMH Pilot is structured to provide a per member per month payment (PMPM) to practices in exchange for meeting mutually agreed upon quality metrics and collaborating with the Plan and its population health management vendor, Active Health Management, on case and disease management and referral to Plan resources.
- The PMPM correlates with the tier placement of the practice. Tier is determined through an objective scoring and assessment tool.
- Active Health Management's role will vary with each practice depending on tier assignment.

Practice Participation

Practice Group	# of SHP Members
Eagle Family Physicians	4,532
Novant Medical Group	6,066-10,024
CaroMont Health	1,410
New Hanover Medical Group	1,499
Totals	13,507- 17,465

Only the contract with Novant is estimated to exceed \$500,000 and therefore is the only contract that requires BOT approval.

Cost of Pilot with Novant Medical Group

The estimated *maximum* cost of the PCMH Pilot with Novant Medical Group is:

6,066 to 10,024 x \$4.50 x 24 months = \$655,128 to \$1,082,592

Total estimated *maximum* cost of the PCMH Pilot:

13,507 to 17,465 x \$4.50 x 24 months = \$1,458,756 to \$1,886,220

The cost of the PCMH Pilot is covered by the PMPM paid to Active Health Management.

Recommendation

Plan staff recommends approval of the Contract with the Novant Medical Group for participation in the PCMH Pilot.

Appendix

Onboarding Tiers and Payment Strategy

Tier 1

\$1.50
pmpm

- Strong interest/willingness to partner
- Demonstrated physician leadership
- Practice uses EMR and has IT infrastructure
- Practice uses EMR for patient care
- Willingness to coordinate with AHM/SHP services

Tier 2

\$2.50
pmpm

- Strong interest/willingness to partner
 - Demonstrated physician leadership
 - Practice uses EMR and has IT infrastructure
 - Practice uses EMR for patient care
 - Willingness to coordinate with AHM/SHP services
- Internal QI process including QI committee
 - Other PCMH relationships w/payers
 - NCQA recognition minimum Level 1 PCMH recognition
 - Historical performance on quality metrics meets or exceeds 50th - 75th percentile of regional performance (HSA regions)

Onboarding Tiers and Payment Strategy

Tier 3

\$3.50
pmpm

- Strong interest/willingness to partner
- Demonstrated physician leadership
- Practice uses EMR and has IT infrastructure
- Practice uses EMR for patient care
- Willingness to coordinate with AHM/SHP services

- Internal QI process including QI committee
- Other PCMH relationships with payers
- NCQA recognition minimum Level 1 PCMH recognition
- Historical performance on quality metrics meets or exceed 50th - 75th percentile of regional performance (HSA regions)

- Current partnerships with specialists and/or hospitals
- Has internal care coordination supports or is willing to hire a Care Coordinator
- Patient communication and engagement tools available

Tier 4

\$4.50
pmpm

- Strong interest/willingness to partner
- Demonstrated physician leadership
- Practice uses EMR and has IT infrastructure
- Practice uses EMR for patient care
- Willingness to coordinate with AHM/SHP services

- Internal QI process including QI committee
- Other PCMH relationships with payers
- NCQA recognition minimum Level 1 PCMH recognition
- Historical performance on quality metrics meets or exceed 50th - 75th percentile of regional performance (HSA regions)

- Current partnerships with specialists and/or hospitals
- Has internal care coordination supports or is willing to hire a Care Coordinator
- Patient communication and engagement tools available

- Member and provider satisfaction data available (12 month period)

Quality Improvement and Tier Movement (12 months)

Tier 1

\$1.50
pmpm

- Contract signed and onboarding Tier 1 requirements met
- Over the next 12 months, meet targets on 70% of all decided upon quality metrics

Tier 2

\$2.50
pmpm

- Contract signed and onboarding Tier 2 requirements met
- Over next 12 months meet target on 80% of all selected quality metrics
- Achieve 50% 'engagement' with members

Quality Improvement and Tier Movement (12 months)

\$3.50
pmpm

Tier 3

- Contract signed and onboarding Tier 3 requirements met
- Over the next 12 months, meet target on 90% of all decided upon quality metrics and achieve 65% engagement with members
- Practice provides care coordination
- Practice can identify and target members for population health management based on clinical data available
- Practice provides analytics and reporting from EMR
- Increase to a minimum of NCQA Level 2

\$4.50
pmpm

Tier 4

- Contract signed and onboarding Tier 4 requirements met
- Over the next 12 months, meet target on 100% of all decided upon quality metrics and achieve 85% engagement with members
- Practice provides care coordination
- Practice can identify and target members for population health management based on clinical data available
- Practice provides analytics and reporting from EMR
- Increase to a minimum of NCQA Level 3
- Member satisfaction is $\geq 90\%$
- Provider satisfaction is $\geq 90\%$ (previous 12 month period)