Washington APM History

- **APM 1: January 1, 2009 – April 6, 2011**
  - Encounter reimbursement rates were increased annually by a Washington-specific healthcare index

- **APM 2: April 7, 2011 – June 30, 2011**
  - PPS rate inflated by 5 percent

- **APM 3: July 1, 2011 to Present**
  - 2008 rates as calculated under APM 1 inflated by Medicare Economic Index from 2009-2010
APM 4 Core Elements

• Clinics and centers receive no less than their APM 3 rate

• Clinics and centers retain the right to opt out of APM 4

• Current payment relationships will remain in place  
  – Flow of payments from MCOs and HCA

• No recoupment under APM 4  
  – Prospective adjustment based on performance
APM 4 Construct

- Conversion of APM 3 to a baseline PMPM rate

\[
\text{Clinic or Center specific APM 4 PMPM Rate} = \frac{\text{CY2015 APM 3 Rate times CY2015 Encounters}}{\text{divided by Member Months}}
\]

- Carry the baseline PMPM rate forward in future years

- Trend the PMPM rate by MEI

- Link the PMPM rate to quality
Encounter-based to Value-based

APM3/PPS
Encounter-based

Billable Encounter
Billable Encounter
Billable Encounter

3 Billable Encounters

APM4
Encounter-based

Billable Encounter
Billable Encounter
Non-Billable Encounter

2 Billable Encounters

Healthier Washington
Encounter-based to Value-based

Reconciliation

APM3/PPS Encounter-based
- Billable Encounter
- Billable Encounter
- Billable Encounter

APM4 Value-based
- Non-Billable Encounter
- Billable Encounter
- Billable Encounter

Quality improvement and attainment on 7 HEDIS measures
APM 4 Quality Improvement

• Performance Measure Implementation

  – Performance will be on an individual basis

  – Current year performance will be compared to prior year performance

  – Relative improvement will be emphasized and recognized

  – Clinics and centers will not receive less than APM 3
APM 4 Scope of Included Services

- Apple Health – Medicaid Managed Care Services
  - Medical
  - Maternity
  - Mental Health

- Not included
  - Maternity Support Services/Infant Case Management
  - Dental
  - High level mental health
  - Substance use disorder