Introducing CHCANYS' APM Newsletter!

CHCANYS is introducing an Alternate Payment Methodology (APM) newsletter to provide periodic updates on the development of an FQHC APM in New York State. Look for this newsletter in your inbox for status updates, notifications of webinars and other engagement opportunities, and answers to FAQs.

What is an APM?

Currently, New York State FQHCs are reimbursed by Medicaid under a prospective payment system (PPS), which is visit-based and prioritizes volume over value. Federal law permits FQHCs to instead be reimbursed under an Alternate Payment Methodology (APM), provided that reimbursement is no less than it would be under PPS methodology, and each Health Center "opts in" to the APM. APMs can delink payments to visits and instead support integrated care, incentivize innovative primary care services, allow flexibility to address social determinants of health, and promote increased access to care.

CHCANYS is exploring the development of a capitated APM. In a capitated APM, health centers would receive a per member per month payment for attributed patients. By transitioning from visit-based reimbursement to a capitated APM, health centers would be provided the flexibility to support services outside of the traditional "billable" visit; for example, by enabling care team members to communicate and interact with patients as needed, connecting them to services that are not traditionally billable under the PPS model. The APM can support the alignment of health center practices with the drive towards value-based payment.

APMs in Other States – Highlighting Oregon's Capitated APM

Nationwide, FQHCs are increasingly participating in new payment and delivery system models. As of 2019, 27 states have adopted some form of APM. Notably, Oregon successfully phased in a capitated APM beginning in 2013 to align their payment model with their care transformation goals.

Oregon's APM model is a capitated per-member per-month payment based on each health center's historical PPS payments. Participating health centers use payment and patient data for applicable services from its most recent reconciliation period that has been finalized by the state. Each health center establishes a "Wrap Cap" rate paid for managed care patients, which approximates the health center's wrap around payments. In addition, a full FQHC APM rate is calculated and paid for the few remaining Fee-for-Service patients each clinic serves.

Oregon's capitated APM has been successfully adopted by FQHCs and has resulted in these key outcomes:

- Robust, team-based, comprehensive care with reported improvement in quality outcomes;
- Increased flexibility to provide alternative access to care, such as telehealth;
- Increased flexibility to address social determinants of health;
- Better FQHC-reported financial health under the APM model (e.g., more predictable payments, less variability with provider turnover, prospective payments); and
- Accountability plan encouraged FQHCs to build VBP capabilities.

Next Steps

- Reimbursement, Clinical Committees and APM workgroup refine the financial model
- Outline legal protections and requirements for State to preserve PPS reimbursement level
- Engage DOH in discussion of shared goals of care innovation and administrative simplicity
- Ongoing communication with full membership on strategic importance of adopting an APM and developments
- 2nd APM Summit – May 2021

Questions?

If you have any questions or APM topics you would like addressed, please send them to Bethany Wolfe, Director of Health Center Reimbursement (bwolfe@chcanys.org). We will address questions in a future APM newsletter and/or an APM webinar.