February 17, 2017

The Honorable Nancy Wyman
Lieutenant Governor
State Capitol
Hartford CT 06106

Re: Independent Advocates' Concerns with Rushed Expansion of PCMH+ Program Absent Meaningful Evaluation Results of First Wave

Dear Lieutenant Governor Wyman:

We are writing to express our deep concerns with the rushed expansion of Connecticut Medicaid's new, experimental PCMH+ shared savings program, before we know whether the first wave of this program has been successful, or even whether it is **harming** the hard-earned improvements in the Medicaid program over the last five years. We urge you to maintain your previous common sense commitment that no further expansion to this experimental program will be made until a thorough evaluation of the first wave is **complete** and it is determined that, at a minimum, no harm was being done. We also urge you to regularly provide reports that will help assess the value of this experiment, and also to return to the collaborative process that previously characterized the development of the PCMH+ program.

Advocates, DSS staff and consultants spent countless hours working together over the last year to develop the PCMH+ program plan with the common, primary goals of first, Doing No Harm to our nationally-recognized Medicaid program, and, second, building on our recent success of improving quality and access while controlling costs in the program. We appreciate your and your staff's expressions of gratitude for our contributions to the process and we are proud of the work we did leading up to release of the RFP.

As with all new programs, success depends not only on good planning but also on a solid process of implementation and evaluation that respects the same climate of collaboration and remains committed to the two original goals outlined above. We are writing to express our growing concerns about that implementation process. The spirit of openness, collaboration and accountability that characterized development of the RFP is in serious jeopardy. Our more specific concerns, to date, are described below, as are our recommendations to protect the success of

Connecticut's Medicaid program[1]. Also attached you will find a list of public reports necessary to properly evaluate the program, ensure accountability, and re-build trust with stakeholders.

Concerns that threaten Connecticut Medicaid's success

- Contrary to previous commitments, DSS no longer intends that Wave 2 implementation of PCMH+ will be informed by the completion of a robust evaluation of the current Wave 1 experiment that now impacts over 100,000 people[2]. We recently learned that the evaluation of Wave 1 will only be available at least two months **after** the final RFP for Wave 2, to affect another 200,000 Connecticut residents, is scheduled to be released. The stated reason was unspecified "commitments made by the administration". This makes it impossible for the evaluation to inform the terms of Wave 2 or whether there should be one, or to assure that the expansion is in the "best interests" of Medicaid beneficiaries, as required by federal Medicaid law. This timeline contradicts the department's earlier commitment that if the evaluation finds problems, Wave 2 will be modified or halted entirely. [3]
- This commitment is critical to the guiding principle to Do No Harm.
- Even if the evaluation is completed in time, it is unlikely to detect any problems. The current evaluation proposal is very weak, not even designed to determine if the new program is saving more money than the added administrative costs. The proposed evaluation is similar to the cursory assessments of HUSKY MCOs in the past. Those evaluations consistently reported across-the-board excellent performance by those capitated insurers, despite clear and obvious indications of barriers to access, quality problems, and excessive costs. Those inadequate evaluations served as justification to perpetuate a wasteful, harmful payment model, ultimately wasting hundreds of millions of tax dollars.
- We have received no update on how many practices in each PCMH+ ACO are certified Person/Patient-Centered Medical Homes (PCMHs) and no plan to achieve the requirement in the RFP that all ACO practices must achieve PCMH status within 18 months. This critical protection is important to avoid ACOs cherry-picking patients to generate false shared savings payments from the

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[1] In the interests of brevity, we have not included previously reported concerns including, but not limited to, reversal of a promise not to implement downside risk and a promise that Medicaid would not lead the market and will only implement shared savings when there is ample evidence from the rest of Connecticut's health system about whether it works and best practices. These promises were based on the universal recognition that Medicaid is a unique and vital program that provides care for Connecticut's most fragile residents.

[2] Different numbers of enrollees in PCMH+'s Wave 1 have been reported orally by DSS in different meetings.

[3] See, e.g., June 9, 2016 DSS ppt presentation to SIM steering committee("after Wave 1 DSS will evaluate outcomes and consider additional wave of participation").

state while making no improvement in overall spending or quality, and not to encourage moving exactly the people who can most benefit from PCMHs out of them and vice versa.

- Despite strong commitments, DSS has released only a very vague and weak description of an underservice-monitoring program. As this protection is central to the department's guiding principle to Do No Harm, and is a condition of shared savings payments to ACOs, this deficit is deeply troubling.[4]
- Federally required DSS consumer notices were inappropriately eroded at the last minute due to political interference precipitated by representatives of the very ACOs that stand to financially benefit from an ineffective notice. The notices were the product of long, difficult negotiations in publicly noticed meetings of stakeholders, including practicing providers. Despite the fact that the meetings and draft notices were available to the State Innovation Model (SIM) and ACO representatives who objected to the consensus notice, they chose not to participate in the process, and yet they were given the opportunity, very late in the process, to unilaterally weaken the notice. It now requires a college education to understand.[5]

<u>Recommendations critical to protecting Medicaid success</u>

- Most importantly, delay release of the PCMH+ Wave 2 RFP until a thorough review of Wave 1 is complete, adjustments are identified to address deficiencies (possibly including a complete halt to the program), and those adjustments are tested to ensure they will successfully address the problems without unintended harms.
- At a minimum, the Wave 1 review must include the final evaluation along with other critical quality, access, underservice, consumer experience of care, and cost data and analysis. This review must be strictly independent of inappropriate political interference by SIM, the PCMH+ ACOs, and other conflicted parties. The review must include opportunities for public comment and input.
- DSS must publish regular quality, cost, consumer experience of care and access metrics, solicit input from stakeholders, and adopt reasonable changes to the program to address concerns identified in the data. An initial list of important reports is attached to this letter.

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[4] For example PCMH+ quality measures do not include broad measures of underservice such as avoidable hospitalizations and ED visits, despite their long use by Medicare's ACO shared savings program and OHCA reports.

[5] The only separate ACO-issued consumer notice that we are aware of was summarily approved by DSS despite unbalanced language that emphasizes debatable potential benefits of PCMH+, and includes no hint of the very real potential risks to consumers. While expressly "encouraging" patients to sign up for PCMH+, it neglects to even mention shared savings -- the heart of this experiment.

- Future proposed consumer notices and communications, either from DSS or ACOs, must be thoroughly reviewed by members of the Care Management Committee for balance and completeness in advance of issuance.
- To build trust moving forward, all parties must honor all commitments – hard stop. Ignoring agreements arrived at through hard negotiations, just because interests belatedly raise concerns, does not foster good policy and has a chilling effect on willingness to collaborate or compromise.

We look forward to a return to our prior collaborative relationship with DSS that had been very constructive in developing the initial PCMH+ program as well as earning Connecticut Medicaid nationally-recognized acclaim for improving access, quality and cost control over the last five years. As always, we are happy to discuss any of these concerns and recommendations at any time.

Respectfully,

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cc: Commissioner Roderick Bremby
Anne Foley, OPM
Vicki Veltri, Office of the Lieutenant Governor
Kate McEvoy, Medicaid Director
Mark Schaefer, State Innovation Model Program Office
Senator Terry Gerrratana
Representative Cathy Abercrombie
Representative Michelle Cook
Representative Hilda Santiago