



## **Integrated Health Partnerships (IHP) Model**

## **DHS Health Care Administration**

### **What is IHP?**

IHP (formerly referred to as Health Care Delivery Systems or HCDS) is an accountable care model that incentivizes health care providers to take on greater financial accountability for the Total Cost of Care (TCOC) for Medicaid patients. State legislation enacted in 2010 gave DHS authority to develop and implement a demonstration project to test alternative and innovative health care delivery systems, including accountable care organizations, which provide services to a specified patient population using a risk/gain sharing payment arrangement.

In the IHP Demonstration DHS contracts directly with providers in a new way that allows them to share in savings for reducing the TCOC for enrollees while maintaining or improving quality of care and patient experience. IHP builds off existing care and delivery systems including the state's Health Care Home program but does not require specific or prescribed care models. This gives providers flexibility to develop innovative methods for coordinating and delivering care, to improve patient health and experience, and reduce costs with few new requirements (i.e. no new legal entity required, does not have to administer benefits or pay claims, but must provide primary care and have formal community partnerships).

### **What are key design features of the model?**

- Develop payment models for both large integrated systems and smaller or independent providers and other partner organizations to ensure broadest participation possible, including flexibility governance and organization and the amount of financial reward and risk organizations these are willing to accept.
- Build off current payment and care delivery reform efforts and structures to work within existing fee-for-service (FFS) and managed care (MCO) structures to allow faster implementation timelines and minimize enrollee disruption.
- Align with payment models in the Minnesota commercial market and other emerging national models (i.e. Medicare Pioneer ACO and Shared Savings) to drive delivery system transformation where possible; and build consistency of financial reward and risk within the Medicaid program at the provider level to ensure all Medicaid enrollees are benefiting from the transformation to their care.

### **What are the provider requirements of the model?**

- Deliver the full scope of primary care services and directly deliver or demonstrate the ability to coordinate with specialty providers and hospitals.
- Demonstrate, through the care delivery model, how the IHP will affect the total cost of care of its Medicaid participants regardless of whether the services are delivered by the IHP.
- Demonstrate how formal and informal partnerships with community organizations, social services agencies, counties, etc. are included in the care delivery model.
- Demonstrate how the IHP will meaningfully engage patients and families as partners in the care they receive, as well as in organizational quality improvement activities and leadership roles.

### **What payment approaches are being tested?**

DHS will test two complementary payment approaches, a virtual model that allows in that will hold providers accountable for the TCOC for Medicaid enrollees attributed to them based on what providers enrollees are seeing for their care based on historical claims data.



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DHS will calculate TCOC target and actual performance against the target for a defined set of core services which include preventive, acute and home care services. Existing provider reimbursements continue (MCO and FFS) during the performance period. The specific payment approach depends on the model:

### Model 1: Virtual IHP

Organizations not affiliated with a hospital or integrated system or any IHP serving 1,000-2,000 attributed enrollees.

- Year 1 to 3: Gain-sharing only, savings between the payer(s) and delivery system is shared equally (i.e., 50/50)

### Model 2: Integrated IHP

Integrated delivery systems providing a broad spectrum of care as a common entity

- Year 1 – gain-sharing only; savings is shared equally with the state
- Year 2 – introduce downside risk; IHP' have some flexibility in the amount of risk assumed
- Year 3 – symmetrical risk; IHP' have some flexibility in the amount of risk assumed and the distribution of savings/losses with the state

The IHP attribution process supports a robust primary care model for Medicaid enrollees by placing a priority on Health Care Homes and primary care providers for patient attribution. Providers are equipped with patient-level data feedback provided by DHS that allows better management of care and the ability to impact care earlier in the care cycle.

### **How were providers chosen for participation in the model?**

Provider organizations are selected through an annual competitive Request for Proposal process for a three demonstration period. Six IHP' have signed contracts and began in January 2013, and three additional began January 2014 covering over 145,000 Medicaid enrollees which represent about 20% of the populations included in the model:

January 1, 2013 participants:

- Children's Hospitals and Clinics of Minnesota
- Essentia Health
- CentraCare Health System
- North Memorial Health Care
- Federally Qualified Health Center (FQHC) Urban Health Network
- Northwest Metro Alliance (a partnership between Allina Health and HealthPartners clinics)

January 1, 2014 participants:

- Hennepin Healthcare System (Hennepin County Medical Center)
- Mayo Clinic
- Southern Prairie Community Care (SPCC)

Additional providers and organizations will have the opportunity to participate under the next RFP released by DHS at the beginning of this year that would start January 1, 2015.